

AGENDA
REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, April 13, 2023
7:30 p.m.
Westborough Water District Office
2263 Westborough Boulevard, South San Francisco

1. ROLL CALL:

2. PLEDGE OF ALLEGIANCE:

3. CONSENT CALENDAR:

All items listed under the Consent Calendar are approved by a single motion of the Board. A Board member may request removal of any item for discussion and separate action:

A. Approval of Minutes:

1. Regular Meeting of March 9, 2023.
2. Special Meeting of March 30, 2023.

B. Accountant's Report for Period Ending February 28, 2023.

C. Investment Report for Period Ending March 31, 2023.

D. Claims Register for March 31, 2023.

4. PUBLIC COMMENT:

Members of the public are invited to participate during the public comment period or when an item on the agenda is introduced. Anyone wishing to speak should, after the recognition, give their name and address, speak clearly, and direct their remarks only to the Board. Please limit your remarks to no more than five (5) minutes. Items not on the agenda may be referred to Staff for consideration at a later date.

5. BUSINESS (OLD): : None

6. BUSINESS (NEW):

- A. Consideration to Approve Billing Rate Increase for Chavan and Associates, Inc., Effective July 1, 2023.

REGULAR MEETING OF THE BOARD OF DIRECTORS

April 13, 2023

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- B. Review and Approve June 30, 2023, OPEB Actuarial Valuation Proposals and Data Request from Foster and Foster and Actuarial Consulting Group LLC.
- C. LAFCo Special District Regular Member Election 2023: Submit Written Nominations for the Regular LAFCo Member and Authorization to Transmit the LAFCo Special District Member Ballot by Electronic Mail.

7. WRITTEN COMMUNICATIONS:

- A. Letter from Tri-Counties Bank (TCB) Regarding the Closure of Silicon Valley Bank and Collateralization Agreement Between the District and the TCB.

8. ATTORNEY'S REPORT:

9. GENERAL MANAGER'S REPORT:

- A. Report on District's Water Conservation for March 2023.
- B. Update on Proposal for Water and Sewer Rate Study.
- C. Report on BAWSCA FY 2023-2024 Bond Surcharges.
- D. Report on SFPUC New Rates for FY 2023-2024.

10. ITEMS FROM BOARD OF DIRECTORS:

- A. Report on BAWSCA Meeting of March 16, 2023 (Chambers).

11. CLOSED SESSION: None

12. ADJOURNMENT:

Upon request, the Westborough Water District will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please send a written request, including your name, mailing address, phone number and brief description of the auxiliary aid or service at least 3 days before the meeting. Request should be sent to Westborough Water District at 2263 Westborough Boulevard, South San Francisco, CA 94080, or email wwd@westboroughwater.org. Availability of Public Records: all public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Acts, that are distributed to a majority of the legislative body will be available for public inspection at 2263 Westborough Boulevard, South San Francisco, CA 94080, at the same time that the public records are distributed or made available to the legislative body.

**MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS**

Thursday, March 9, 2023

The meeting was called to order at 7:30 p.m.

1. ROLL CALL:

Directors Present: Don Amuzie
Perry Bautista
Tom Chambers
Julie Richards
Janet Medina

Staff Present: Michael Conneran, Attorney
Johnny Kennedy, Field Supervisor
Wendy Bellinger, Office Supervisor
Patricia Mairena, General Manager

Visitors Present: Sergio Medina

2. PLEDGE OF ALLEGIANCE: Led by Director Chambers.

3. CONSENT CALENDAR:

President Medina asked the Board if there was any discussion.

Director Chambers moved to approve the Consent Calendar, seconded by Director Bautista.

The motion was carried unanimously.

4. PUBLIC COMMENT: None.

5. BUSINESS (OLD): None.

6. BUSINESS (NEW):

A. Review/Approve June 30, 2022, Audit Report *(presented via Zoom)*.

Two of Five
Minutes of the Regular Meeting of the Board of Directors
Thursday, March 9, 2023

General Manager Mairena introduced Chris Brown, of C.J. Brown & Company CPAs (*formerly Fedak & Brown LLP*). Mr. Brown thanked the Board for having him and proceeded to make his presentation for the results of the 2022 audit via Zoom. He stated that the audit had been conducted in accordance with auditing standards generally accepted in the United States of America. Mr. Brown stated that there were two reports generated from the audit: the financial audited reports and the Letter to Management. Mr. Brown reported that within the financial statements was the Auditor's opinion which stated that the District received an unmodified "clean" opinion and congratulated the District on receiving it.

Mr. Brown told the Board that the Letter to Management was a report that communicated to the Governing Board that the auditors had not identified any material weaknesses within the District's internal control structure and that any minor observations made during testing had been shared with Management, as well as the District's accountants.

Mr. Brown informed the Board that the audit was a good one, though it had taken somewhat longer due to a new pronouncement which required him to work with the outside CPA. He stated that the new pronouncement was GASB 87, which required governmental entities to record leases on their financial statements as a lessor, a lessee, or both. In the District's situation, it was a lessor arrangement for the lease of space for the cell tower site, and a receivable was recorded for monies to be received over the life of that lease; previously cash was only recorded as it was received. Mr. Brown stated that in his opinion, this gave the reader a better picture of what the long-term revenue stream would bring the District for that lease. Mr. Brown reviewed a minor two-year period adjustment that was mostly due to interest, and which had been provided to the District's accountant for future recordings.

Mr. Brown also reviewed the OPEB and Pension adjustments which in his opinion were not very dramatic in comparison to another client. The District normally adjusts contributions based on the actuarial reports provided to the District by a third-party actuary. Mr. Brown also stated that the returns on the Market had played a very significant role, and this affected the financial statements by reducing the liability in the current year and increasing income by about \$200,000 to the bottom line. Mr. Brown told the Board he did not expect this trend to continue.

Mr. Brown displayed a condensed Statements of Revenues, Expenses, and Changes in Net Position highlights:

- Total revenue increased by about \$1,012,000.
- Total expenses decreased by approximately \$270,000.
- Depreciation has remained flat over the years.
- Change in net position increased by \$1,047,506.

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Minutes of the Regular Meeting of the Board of Directors
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The net position at the end of the year was \$10,497,953.

Mr. Brown pointed out that any corrections related to the Board membership on the presentation have already been addressed by General Manager Mairena and Auditor Jeff Palmer.

Mr. Brown asked the Board if they had any questions.

Director Chambers thanked Mr. Brown for his clarification of GASB 87 and reiterated his understanding of it. Mr. Brown clarified that process a little bit further. Director Chambers inquired about the note on the sewer fund advancing the water fund for the purpose of funding current year operations. Mr. Brown stated the District's accounting system was not broken up into two different funds and reviewed some of the contributing factors for the difference in sewer and water funds.

Mr. Brown pointed out that for additional fees, the District's CPAs could provide the District mid-year reports which separated the funds.

Attorney Conneran inquired what the percentage would be if staff had to allocate their time spent on water and sewer. General Manager Mairena replied that the field staff could not respond to any sewer calls, other than meeting with the Sanitation Department or supervising something. General Manager Mairena stated that the office staff did more work, as some of the accounts with no parcel numbers were still being billed in-house, they submitted the parcel file with sewer charges to San Mateo County for collections, and they calculated the semi-annual sewer payment to the City of Daly City. General Manager Mairena reviewed how a portion of the sewer billing labor-related costs were deducted from the semi-annual sewer payments made to the City of Daly City.

Director Chambers asked about joint assets and how their depreciation was allocated. General Manager Mairena stated that she will be taking a look at this.

President Medina thanked Mr. Brown for his presentation and clarifications.

Director Chambers moved to approve the June 30, 2022, Audit Report as written, seconded by Director Bautista.

The motion was carried unanimously.

- B. Review/Approve Pump Repair Service Company Quote for Westborough Main Pump Station Replacement Bowl Assemblies.**

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General Manager Mairena reviewed her Staff Report with the Board and pointed out that the pump that was originally ordered back on May 13, 2022, with a sixteen-week delivery time, would not be delivered until almost the end of April 2023. General Manager Mairena stated that Field Supervisor Kennedy and she had discussed this matter with Wayne Archer from Pump Repair and since all three pumps rotated and run about the same amount of time, it was desirable to keep them under the same maintenance schedule, so Mr. Archer had recommended ordering replacements for the other two pumps.

Field Supervisor Kennedy recapped how the delivery schedule of pump no. 3 had been moved a couple of times. Field Supervisor Kennedy stated that he had concerns about the other two pumps since the District always ran two pumps, and these were the only pumps that had been running for almost a year now at least every other night. Mr. Kennedy indicated that he thought it was a good idea to place the order for the other two pumps soon. Director Chambers asked about the motor and the pump assembly. Director Chambers agreed that the order should be placed soon.

Director Chambers moved to approve Option 2 of the Pump Repair Service Company Quote for Westborough Main Pump Station Replacement Bowl Assemblies in the amount of \$73,373.98, plus a 10% contingency, seconded by Director Amuzie.

The motion was carried unanimously.

7. WRITTEN COMMUNICATIONS: None.

8. ATTORNEY'S REPORT: None

9. GENERAL MANAGER'S REPORT:

A. Report on District's Water Conservation for February 2023.

General Manager Mairena presented the water conservation efforts for February 2023 which showed a small increase in usage, but still showed the District being under the targeted amount. General Manager Mairena asked Director Chambers if he wanted to report. Director Chambers stated that he was not sure why the District had not done as well with all the rain we had received. Director Chambers expected usage to start going up in the next months.

General Manager Mairena recommended continuing to stress water conservation in the next newsletter. Director Chambers suggested to wait until San Francisco makes any declaration regarding the possible end of the drought. General Manager Mairena stated that at the BAWSCA meeting, they had said that San Francisco may wait before they took any action because they have the drought surcharge.

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Minutes of the Regular Meeting of the Board of Directors
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B. Update on Proposal for Water and Sewer Rate Study.

General Manager Mairena reported the document was not yet ready, but she had directed Pakpour Consulting to meet with the North San Mateo County Sanitation District and produce slides of the sewer projects with cost estimates. Ms. Mairena stated she hoped to have it ready before the next board meeting so that there would be enough time for her to meet with the Capital Improvements Committee and prioritize these projects as well.

C. AAR Exercises with Launch.

General Manager Mairena reported that the AAR (After Action Report) Exercises with Launch had taken place this past Tuesday, March 7th. Ms. Mairena stated that Ken Anderson, City of South San Francisco Emergency Response Manager was present and had shared very important information on how they can assist the District. General Manager Mairena also stated that present were Mauritz Botha from XIO, Shaun Yglesias (via Zoom), Darryl Barrow (former WWD General Manager), and the entire District staff. Ms. Mairena mentioned that it had been a very productive session and Launch will be putting together the letter of response to the San Mateo County Grand Jury.

10. ITEMS FROM BOARD OF DIRECTORS: None

11. CLOSED SESSION: None.

12. ADJOURNMENT:

Without objection, President Medina adjourned the meeting.
Time 8:24 p.m.

Secretary

President

Date

MINUTES
OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
Thursday, March 30, 2023

The meeting was called to order at 7:30 p.m.

1. ATTENDANCE:

Directors Present: Don Amuzie
Perry Bautista
Tom Chambers
Julie Richards
Janet Medina

Staff Present: Wendy Bellinger, Office Supervisor
Martha Mendoza, Operations Assistant

Visitors Present: None.

There was no Public present, hence no public comment.

2. APPROVE THE LETTER OF RESPONSE TO GRAND JURY REPORT ENTITLED "THE OTHER WATER WORRY: IS YOUR WATER PROVIDER PREPARED FOR THE BIG ONE?" ISSUED AUGUST 5TH, 2022.

Office Supervisor Bellinger directed the Board to the letter of reply to the Grand Jury that was prepared by Launch Consulting.

President Medina asked the Board if they had any questions regarding the letter of reply to the Grand Jury.

Director Amuzie stated he only had an observation and it had to do with the timing of the response and possibly having included more information regarding fuel compliance. Director Chambers replied that if desired, the Grand Jury could come back and request the fuel report from the District. Director Chambers commented that the letter could have possibly included that the District had a least a five-day supply of water, but he supported the letter as written, rather than going back for Launch to change it.

President Medina asked if there were any other comments.

Director Chambers moved to approve the Letter of Response to the Grand Jury Report Entitled "The Other Water Worry: Is Your Water Provider Prepared for the Big One?" Issued August 5th, 2022, seconded by Director Richards.

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The motion was carried unanimously.

3. ADJOURNMENT:

The meeting was adjourned at 7:36 p.m.

Secretary

President

Date

Westborough Water District

Financial Statements
With Accountant's Compilation Report
February 28, 2023



Chavan & Associates, LLP
Certified Public Accountants
15105 Concord Circle, Suite 130
Morgan Hill, CA 95037

Westborough Water District

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Accountant's Compilation Report

To the Board of Directors
Westborough Water District
City of South San Francisco, CA

Management is responsible for the accompanying financial statements of the business-type activities of the Westborough Water District, CA (the "District"), as of and for the eight months ended February 28, 2023, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The supplementary information on pages 7 through 9 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. However, we have not audited or reviewed the information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

A statement of cash flows for the eight months ended February 28, 2023, has not been presented. Accounting principles generally accepted in the United States of America require that a statement of cash flows be presented when financial statements purport to present financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Management has omitted the management's discussion and analysis that the Governmental Accounting Standards Board requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.



Chavan and Associates, LLP

Certified Public Accountants

We are not independent with respect to the District as of and for the eight months ended February 28, 2023, because we performed certain accounting services that impaired our independence. We were engaged to compile monthly summary reports of the District's transactions instead of a full set of financial statements. As such, we are required by the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants to disclose that the accompanying financial statements exclude the minimum required disclosures and statement of cash flows. This does not impact the credibility and accuracy of the information included in the accompanying financial statements.

C & A LLP

April 10, 2023

Morgan Hill, California

Westborough Water District
Statement of Net Position
February 28, 2023

ASSETS

Current Assets:

Cash (Including \$3,464,989 in Time Deposits)	\$ 3,784,893
Receivables	
Lease	28,116
Water	1,121,930
Other	29,749
Prepaid Expenses and Other	26,265
Inventory	346,547
Total Current Assets	5,337,500

Non-Current Assets:

Lease Receivable	268,016
Utility Plant in Service (Note 5):	
Land	182,633
Work in Progress	1,352,086
Water Facility	6,683,674
Building	1,502,595
Joint-Use Facilities	94,907
Meters	706,496
Office Furniture and Equipment	156,528
Maintenance Facility	478,623
Sewer Facility	3,367,953
Total Utility Plant in Service (Capital Assets)	14,525,495
Less Accumulated Depreciation	(6,773,503)
Utility Plant in Service-Net Depreciation Expense	7,751,992
Total Non-Current Assets	8,020,008
Total Assets	\$ 13,357,508

DEFERRED OUTFLOWS

Deferred Pension Outflows	\$ 232,359
Deferred OPEB Outflows	127,991
Total Deferred Outflows	\$ 360,350

(continued)

See accompanying notes and accountant's compilation report

Westborough Water District
Statement of Net Position
February 28, 2023

LIABILITIES

Current Liabilities:

Accounts Payable (Note 2)	\$ 511,322
Customers' Deposits	360,920
Unearned Revenue	<u>32,046</u>
Total Current Liabilities	<u>904,288</u>

Long-term Liabilities:

Accrued Vacation	50,694
Net Pension Liability	279,248
Net OPEB Obligation	<u>114,306</u>
Total Long-term Liabilities	<u>444,248</u>
Total Liabilities	<u>\$ 1,348,536</u>

DEFERRED INFLOWS

Deferred Lease Inflows	\$ 267,260
Deferred Pension Inflows	306,437
Deferred OPEB Inflows	<u>323,286</u>
Total Deferred Inflows	<u>\$ 896,983</u>

NET POSITION

Net Investment in Capital Assets	\$ 7,751,992
Restricted for Capital Facilities	347,103
Unrestricted:	
Reserved for Contingencies	278,273
Reserved for Capital Expenditures	1,916,100
Non-spendable Inventory and Prepaids	372,812
Unappropriated	<u>806,059</u>
Total Net Position	<u>\$ 11,472,339</u>

(concluded)

See accompanying notes and accountant's compilation report

Westborough Water District
Statement of Activities
For the eight months ended February 28, 2023

Operating Revenue:	
Water Sales (Note 3)	\$ 2,729,898
Sewer Svc. and Transfer Charges	2,201,958
Misc. Operations	16,400
Capital Facility Income	15,079
Total Operating Revenue	<u>4,963,335</u>
Operating Expense:	
Water Expenditures	1,844,572
Sanitary Sewer Expenditures	1,774,137
Admin. and General Expenditures	811,414
Depreciation	218,703
Capital Facility Expense	500
Total Operating Expenses	<u>4,649,326</u>
Operating Income (Loss)	314,009
Non-operating Income (Expense):	
Property Taxes	480,191
Investment Interest	23,429
Other	156,757
Total Non-operating Income (Expense)	<u>660,377</u>
Change in Net Position	974,386
Net Position - Beginning	<u>10,497,953</u>
Net Position - Ending	<u>\$ 11,472,339</u>

See accompanying notes and accountant's compilation report

Westborough Water District
Selected Information - Substantially All Disclosures Required by
Generally Accepted Accounting Principles are Not Included
February 28, 2023

NOTE 1 - There was no Bad Debt expense during the month.

NOTE 2 - Accounts payable at February 28, 2023, includes \$352,482 of accrued treatment and disposal expense.

NOTE 3 - Estimated operating revenues are used in preparing the financial statements for the months of January, March, May, July, September and November because actual figures are not available until one and one-half months after the close of these months.

NOTE 4 - Accounts receivable are reported net an allowance for uncollectible accounts of \$(2,715) to account for uncollectible water receivables for the period.

NOTE 5 - Changes in utility plant in-service for the eight months ended February 28, 2023, were as follows:

Beginning Balance	\$ 14,524,005
Engineering	-
Surveying	-
Contractors	-
Other Fixed Assets	1,490
Ending Balance	<u>\$ 14,525,495</u>

Westborough Water District
Schedule of Income and Expense - Budget to Actual
For the eight months ended February 28, 2023

	February	Year to Date	2022-23 Budget	Percentage to Date	Percentage Variance	\$ Variance YTD Plan
Operating Revenue:						
Water Sales (Note 3)	\$ 333,380	\$ 2,729,898	\$ 4,058,845	67.26%	0.59%	\$ 24,001
Sewer Svc. and Transfer Charges	255,825	2,201,958	3,200,831	68.79%	2.13%	68,071
Misc. Operations	2,209	16,400	-	100.00%	100.00%	16,400
Capital Facility Income	3,015	15,079	-	100.00%	100.00%	15,079
Total Operating Revenue	594,429	4,963,335	7,259,676	68.37%	1.70%	123,551
Operating Expense:						
Water Expenditures	224,762	1,844,572	2,702,930	68.24%	-1.58%	(42,618)
Sanitary Sewer Expenditures	226,098	1,774,137	2,771,431	64.02%	2.65%	73,483
Admin. and General Expenditures	66,192	811,414	1,213,815	66.85%	-0.18%	(2,206)
Depreciation	25,675	218,703	365,000	59.92%	6.75%	24,630
Capital Facility Expense	100	500	-	100.00%	-100.00%	(500)
Total Operating Expenses	542,827	4,649,326	7,053,176	65.92%	0.75%	52,789
Operating Income (Loss)	51,602	314,009	206,500	152.06%	-85.39%	176,340
Non-operating Income (Expense):						
Property Taxes	31,025	480,191	613,231	78.31%	11.64%	71,370
Investment Interest	756	23,429	12,052	194.40%	127.73%	15,394
Other	184	156,757	36,000	435.44%	368.77%	132,757
Total Non-operating Income (Expense)	31,965	660,377	661,283	99.86%	33.20%	219,521
Net Income (Loss)	\$ 83,567	\$ 974,386	\$ 867,783	112.28%	45.62%	\$ 395,861

Westborough Water District
Schedule of Income and Expense - Budget to Actual
For the eight months ended February 28, 2023

	February	Year to Date	2022-23 Budget	Percentage to Date	Percentage Variance	\$ Variance YTD Plan
Water Expenditures:						
Salaries	\$ 32,128	\$ 274,028	\$ 407,317	67.28%	-0.61%	\$ (2,483)
Salaries Overtime	922	4,828	8,000	60.35%	6.31%	505
Benefits	7,294	84,892	117,178	72.45%	-5.78%	(6,773)
OPEB	1,370	12,653	11,870	106.60%	-39.93%	(4,740)
Payroll Taxes	2,539	20,940	32,220	64.99%	1.68%	540
Technical Communications	914	6,275	9,052	69.32%	-2.65%	(240)
Utilities	12,501	106,115	136,634	77.66%	-11.00%	(15,026)
Supplies and Small Tools	1,081	8,691	15,000	57.94%	8.73%	1,309
Maintenance of System	2,981	29,693	60,148	49.37%	17.30%	10,406
Special Services	27,420	63,058	74,526	84.61%	-17.95%	(13,374)
Vehicle Expense	1,277	12,779	30,400	42.04%	24.63%	7,488
Water Purchases	134,335	1,220,620	1,800,585	67.79%	-1.12%	(20,230)
Total Water Expenditures	224,762	1,844,572	2,702,930	68.24%	-1.58%	(42,618)
Sanitary Sewer Expenditures:						
Treatment & Disposal	213,755	1,635,809	2,601,335	62.88%	3.78%	98,414
Utilities	10,675	76,867	103,287	74.42%	-7.75%	(8,009)
Repair of Pipelines	-	-	5,000	0.00%	66.66%	3,333
Repair of Pumps	-	16,313	15,000	108.75%	-42.09%	(6,313)
Miscellaneous Sewer Expenses	1,668	45,148	46,809	96.45%	-29.78%	(13,942)
Total Sanitary Sewer Expenditures	226,098	1,774,137	2,771,431	64.02%	2.65%	73,483

Westborough Water District
Schedule of Income and Expense - Budget to Actual
For the eight months ended February 28, 2023

	February	Year to Date	2022-23 Budget	Percentage to Date	Percentage Variance	\$ Variance YTD Plan
Administrative and General Expenditures:						
Salaries	38,612	330,625	510,682	64.74%	1.92%	9,830
Salaries-Temporary	-	1,001	2,000	50.05%	16.60%	332
Salaries-Overtime	-	-	2,000	0.00%	66.65%	1,333
Employee Benefits	11,525	138,912	179,751	77.28%	-10.61%	(19,078)
OPEB	2,055	18,980	19,816	95.78%	-29.11%	(5,769)
Office Supplies and Postage	983	8,524	10,070	84.65%	-17.98%	(1,811)
Memberships	240	38,784	45,545	85.16%	-18.49%	(8,421)
Utilities	239	851	1,000	85.10%	-18.40%	(184)
Telephone	360	2,179	4,534	48.06%	18.61%	844
Payroll Taxes	3,065	19,889	41,072	48.42%	18.24%	7,492
Water Conservation	150	1,273	16,000	7.96%	58.71%	9,394
Building & Grounds Maintenance	2,238	10,195	9,668	105.45%	-38.79%	(3,750)
Parking Rentals	450	3,600	5,760	100.00%	-100.00%	240
Directors Fees	1,200	7,400	10,500	70.48%	-3.81%	(400)
Engineering Services	(6,381)	40,730	50,000	81.46%	-14.79%	(7,397)
Accounting	388	15,717	22,325	70.40%	-3.74%	(834)
Legal	618	26,874	23,400	114.85%	-48.18%	(11,274)
Billing	3,315	29,050	46,442	62.55%	4.11%	1,911
Communications	540	16,269	25,530	63.73%	2.94%	751
General Election	-	2,685	3,750	71.60%	-4.93%	(185)
Insurance	(1,791)	42,097	71,000	59.29%	7.37%	5,236
Bad Debts (Note 1)	-	17	2,000	0.85%	65.80%	1,316
Travel	815	5,615	9,000	62.39%	4.28%	385
Miscellaneous	7,571	50,147	101,970	49.18%	17.49%	17,833
Total Admin. and General Expenditures	66,192	811,414	1,213,815	66.85%	-0.18%	(2,206)
Depreciation Expense	25,675	218,703	365,000	59.92%	6.75%	24,630
Capital Facility Expense	100	500	-	100.00%	-100.00%	(500)
Total Expenses	\$ 542,827	\$ 4,649,326	\$ 7,053,176	65.92%	0.75%	\$ 52,789

WESTBOROUGH WATER DISTRICT
INVESTMENT REPORT FOR PERIOD ENDING: MARCH 31, 2023

LOCAL AGENCY INVESTMENT FUND
MONTHLY ACTIVITY REPORT

<u>DATE</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>	<u>TRANSACTION BALANCE</u>
		Beginning Balance	\$3,322,188.57
		No Transactions	\$3,322,188.57
		Ending Balance	\$3,322,188.57

Total Investments Last Report Period = \$3,322,188.57
Total Investments at End of Report Period = \$3,322,188.57

Effective Interest Rate: 2.624%
(as of 02/23)

Approved by:



Patricia Mairena
General Manager

PM/pm

The investments of the Westborough Water District as of this date are in compliance with the District's Statement of Investment Policy as adopted by the Board on February 8, 1996. The District has a sufficient cash position to meet its expenditure requirements for the next six months.

California State Treasurer
Fiona Ma, CPA



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

April 10, 2023

[LAIF Home](#)
[PMIA Average Monthly](#)
[Yields](#)

WESTBOROUGH WATER DISTRICT

GENERAL MANAGER
P.O.BOX 2747
SOUTH SAN FRANCISCO, CA 94083-2747

[Tran Type Definitions](#)

Account Number: 90-41-004

March 2023 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	3,322,188.57
Total Withdrawal:	0.00	Ending Balance:	3,322,188.57

WESTBOROUGH WATER DISTRICT
INVESTMENT REPORT FOR PERIOD ENDING: MARCH 31, 2023

MULTI-BANK SECURITIES, INC.
MONTHLY ACTIVITY REPORT

<u>DATE</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>	<u>TRANSACTION BALANCE</u>
Beginnning Balance			\$137,785.20
03/31/23	\$ 2,482.18	Interest Earned	\$140,267.38
03/31/23	\$ (2,482.18)	Dividend Check Withdrawn	\$137,785.20
03/31/23	\$ 219.96	Change in Account Value	\$138,005.16
Ending Balance			\$138,005.16

Total Investments Last Report Period = \$137,785.20
Total Investments at End of Report Period = \$138,005.16

Effective Interest Rate: 3.550%
(to maturity - 09/30/24)

Approved by:



Patricia Mairena
General Manager

PM/pm

The investments of the Westborough Water District as of this date are in compliance with the District's Statement of Investment Policy as adopted by the Board on February 8, 1996. The District has a sufficient cash position to meet its expenditure requirements for the next six months.

March 1, 2023 - March 31, 2023
Account Number: RMB-023565

WESTBOROUGH WATER DISTRICT
PO BOX 2747
S SAN FRAN CA 94083-2747

Your Account Executive:
PAUL REHMUS
(800) 967-4513

Portfolio at a Glance

	This Period
BEGINNING ACCOUNT VALUE	\$137,785.20
Withdrawals (Cash & Securities)	-2,482.18
Dividends, Interest and Other Income	2,482.18
Net Change in Portfolio¹	219.96
ENDING ACCOUNT VALUE	\$138,005.16
Estimated Annual Income	\$5,005.50

¹ Net Change in Portfolio is the difference between the ending account value and beginning account value after activity.

Asset Summary

Percent	Asset Type	Last Period	This Period
100%	Fixed Income	137,785.20	138,005.16
100%	Account Total	\$137,785.20	\$138,005.16

Please review your allocation periodically with your Account Executive.
Your Account is 100% invested in Fixed Income.

Client Service Information

Your Account Executive: MBP
PAUL REHMUS
MULTI-BANK SECURITIES
1000 TOWN CENTER, STE 2300
SOUTHFIELD MI 48075-1239

Contact Information
Business: (800) 967-4513
E-Mail: customerservice@mbssecurities.com

Client Service Information
Service Hours: Weekdays 09:00 a.m. - 05:00 p.m. (EST)
Client Service Telephone Number: (800) 967-9045
Web Site: WWW.MBSSECURITIES.COM

Your Account Information

INVESTMENT OBJECTIVE

Investment Objective: NONE SPECIFIED

Please discuss your investment objective with your Account Executive.

TAX LOT DEFAULT DISPOSITION METHOD

Default Method for Mutual Funds: First In First Out

Default Method for Stocks in a Dividend Reinvestment Plan: First In First Out

Default Method for all Other Securities: First In First Out

BOND AMORTIZATION ELECTIONS

Amortize premium on taxable bonds based on Constant Yield Method: Yes

Accrual market discount method for all other bond types: Constant Yield Method

Include market discount in income annually: No

ELECTRONIC DELIVERY

Your electronic delivery selections for account communications are listed below:

Electronic Delivery

Enrollment Communication

☒ Statements and Reports

☒ Trade Confirmations

☒ Tax Documents

☒ Notifications

☒ Prospectus

☒ Proxy/Shareholder Communications

You have not enrolled any of the above documents for electronic delivery. Please log in to your account or contact your Account Executive to make any changes to your electronic delivery preferences.

Income and Expense Summary

	Current Period		Year-to-Date	
	Taxable	Non Taxable	Taxable	Non Taxable
Interest Income				
Bond Interest	2,482.18	0.00	2,482.18	0.00
Total Income	\$2,482.18	\$0.00	\$2,482.18	\$0.00

March 1, 2023 - March 31, 2023
WESTBOROUGH WATER DISTRICT

Portfolio Holdings

Description	Quantity	Market Price	Market Value	Accrued Interest	Estimated Annual Income	Estimated Yield
FIXED INCOME 100.00% of Portfolio (In Maturity Date Sequence)						
Certificates of Deposit						
SECURITY BK & TR CO PARIS TENN CTF DEP 3.550% 09/30/24 B/E DTD 09/28/22 ACT/365 1ST CPN DTE 03/28/23 Security Identifier: 814010CV4	141,000.0000	97.8760	138,005.16	41.14	5,005.50	3.62%
Total Certificates of Deposit	141,000.0000		\$138,005.16	\$41.14	\$5,005.50	
TOTAL FIXED INCOME	141,000.0000		\$138,005.16	\$41.14	\$5,005.50	
			Market Value	Accrued Interest	Estimated Annual Income	
Total Portfolio Holdings			\$138,005.16	\$41.14	\$5,005.50	

Portfolio Holdings Disclosures

Pricing

This section includes the net market value of the securities in your account on a settlement date basis, including short positions, at the close of the statement period. The market prices, unless otherwise noted, have been obtained from independent vendor services, which we believe to be reliable. In some cases the pricing vendor may provide prices quoted by a single broker or market maker. Market prices do not constitute a bid or an offer, and may differ from the actual sale price. Securities for which a price is not available are marked "N/A" and are omitted from the Total.

THE AS OF PRICE DATE ONLY APPEARS WHEN THE PRICE DATE DOES NOT EQUAL THE STATEMENT DATE.

Estimated Annual Figures

The estimated annual income (EAI) and estimated annual yield (EAY) figures are estimates and for informational purposes only. These figures are not considered to be a forecast or guarantee of future results. These figures are computed using information from providers believed to be reliable; however, no assurance can be made as to the accuracy. Since interest and dividend rates are subject to change at any time, and may be affected by current and future economic, political, and business conditions, they should not be relied on for making investment, trading, or tax decisions. These figures assume that the position quantities, interest and dividend rates, and prices remain constant. A capital gain or return of principal may be included in the figures for certain securities, thereby overstating them. Refer to www.pershing.com/disclosures for specific details as to formulas used to calculate the figures. Accrued interest represents interest earned but not yet received.

Reinvestment

The dollar amount of Mutual Fund distributions, Money Market Fund dividend income, Bank Deposit interest income, or dividends for other securities shown on your statement may have been reinvested. You will not receive confirmation of these reinvestments. Upon written request to your financial institution, information pertaining to these transactions, including the time of execution and the name of the person from whom your security was purchased, may be obtained. In dividend reinvestment transactions, Pershing acts as your agent and receives payment for order flow.

Portfolio Holdings Disclosures (continued)

Option Disclosure

Information with respect to commissions and other charges incurred in connection with the execution of option transactions has been included in confirmations previously furnished to you. A summary of this information is available to you promptly upon your written request directed to your introducing firm. In order to assist your introducing firm in maintaining current background and financial information concerning your option accounts, please promptly advise them in writing of any material change in your investment objectives or financial situation. Expiring options which are valuable are exercised automatically pursuant to the exercise by exception procedure of the Options Clearing Corporation. Additional information regarding this procedure is available upon written request to your introducing firm.

Certificates of Deposit

Certificates of Deposit acquired through the Certificate of Deposit Account Registry Service ("CDARS") and held in your brokerage account are subject to Securities Investor Protection Corporation (SIPC) coverage. Please see additional information about SIPC under Important Information and Disclosures on this statement.

Please be advised that the secondary market for CDs is generally illiquid; the actual value of CDs may be different from their purchase price; and a significant loss of principal could result if your CDs are sold prior to maturity. In the event that the CDs listed above do not indicate a market valuation, an accurate market value could not be determined. In the event that a price is listed above for your CDs, Pershing has obtained a price from sources deemed to be reliable or has priced your CDs using a matrix formula. Prices are estimates and the actual value you may obtain for your CD may be different if you elect to sell your CD in the secondary market.

Foreign Currency Transactions

Pershing will execute foreign currency transactions as principal for your account. Pershing may automatically convert foreign currency to or from U.S. dollars for dividends and similar corporate action transactions unless you instruct your financial organization otherwise. Pershing's currency conversion rate will not exceed the highest interbank conversion rate identified from customary banking sources on the conversion date or the prior business day, increased by up to 1%, unless a particular rate is required by applicable law. Your financial organization may also increase the currency conversion rate. This conversion rate may differ from rates in effect on the date you executed a transaction, incurred a charge, or received a credit. Transactions converted by agents (such as depositories) will be billed at the rates such agents use.

Proxy Vote

Securities not fully paid for in your margin account may be lent by Pershing to itself or others in accordance with the terms outlined in the Margin Agreement. The right to vote your shares held on margin may be reduced by the amount of shares on loan. The Proxy Voting Instruction Form sent to you may reflect a smaller number of shares entitled to vote than the number of shares in your margin account.

Activity Summary (All amounts shown are in base currency)

	Credits This Period	Debits This Period	Net This Period	Credits Year-to-Date	Debits Year-to-Date	Net Year-to-Date
Dividends and Interest	\$2,482.18	\$0.00	\$2,482.18	\$2,482.18	\$0.00	\$2,482.18
Cash						
Withdrawals	0.00	-2,482.18	-2,482.18	0.00	-2,482.18	-2,482.18
Total Cash	\$0.00	-\$2,482.18	-\$2,482.18	\$0.00	-\$2,482.18	-\$2,482.18
Totals	\$2,482.18	-\$2,482.18	\$0.00	\$2,482.18	-\$2,482.18	\$0.00

March 1, 2023 - March 31, 2023
WESTBOROUGH WATER DISTRICT

Transactions by Type of Activity

Process/ Settlement Date	Activity Type	Description	Quantity	Price	Accrued Interest	Amount	Currency
Dividends and Interest							
03/28/23	BOND INTEREST RECEIVED 814010CV4	141000 SECURITY BK & TR CO PARIS TENN CTF DEP 3.550% 09/30/24 B/E DTD 09/28/22 RD 03/27 PD 03/28/23				2,482.18	USD
Total Dividends and Interest					\$0.00	\$2,482.18	USD
Cash Withdrawals and Deposits							
03/31/23	CHECK DISBURSEMENT USD999997	CHECK PD.#4029030084 AS PER YOUR REQUEST				-2,482.18	USD
Total Cash Withdrawals and Deposits					\$0.00	-\$2,482.18	USD
Total Value of Transactions					\$0.00	\$0.00	USD

The price and quantity displayed may have been rounded.

Messages

Although a money market mutual fund (money fund) seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in a money fund. Shares of a money fund or the balance of a bank deposit product held in your brokerage account may be liquidated upon request with the proceeds credited to your brokerage account. Please see the money fund's prospectus or the bank deposit product's disclosure document or contact your advisor for additional information. Pursuant to SEC Rule 10b-10(b)(1) confirmations are not sent for purchases into money funds processed on the sweep platform. Pursuant to applicable regulation, account statements will be produced monthly or quarterly. Balances in Federal Deposit Insurance Corporation (FDIC)-insured bank deposit sweep products are not protected by Securities Investor Protection Corporation (SIPC).

eDelivery

Eliminate paper and save natural resources with digital adoption. Electronic delivery (eDelivery) is faster, convenient and more secure. We offer eDelivery for account statements, prospectus documents, proxy or shareholder communications, tax documents, trade confirmations and more.

To enroll, log in to your brokerage account and look for the one-click eDelivery pop-up or simply select 'Go Paperless' at the top of any page and follow the on-screen prompts for set-up your preferences. Enrollment can be activated as quickly as the day you register, and you will be notified when documents are available in an online, password-protected portal.

Contact your financial professional if you have any questions about any of our digital tools.

Messages (continued)

Please be advised that, beginning April 7, 2023, Pershing will be implementing a change to client accounts governed by a margin agreement. Under the new process, eligible settled long positions will be maintained in a client's margin account type. Accounts that are not governed by a margin agreement will not be affected by this change. Please contact your financial organization if you wish to learn more about this change.

PERSHING LLC ANNUAL DISCLOSURE OF IMPORTANT INFORMATION

Pershing LLC (Pershing), as the custodian for your accounts, is required to disclose certain information to you on an annual basis.

GENERAL DISCLOSURES

STATEMENT OF FINANCIAL CONDITION DATED DECEMBER 31, 2022

On December 31, 2022, Pershing regulatory net capital of \$2.73 billion was 20.35% of aggregate debit items and \$2.46 billion in excess of the minimum requirement. A complete copy of the December 31, 2022 Statement of Financial Condition is available at www.pershing.com/statement-of-financial-condition. You may request a free printed copy by calling (888) 860-8510.

RESPONSIBILITIES OF PERSHING

3.C.9

Pershing is a clearing broker that provides clearing, custody and execution services and other financial solutions to registered broker-dealers that introduce clients to us. Your firm has the primary responsibility for contact and communication with you and is also responsible for account opening document review and approval and investment advice.

ANTI-MONEY LAUNDERING AND FIGHTING TERRORISM

To help the government fight the funding of terrorism and money laundering activities, financial organizations are required by federal law to obtain, verify and record information that identifies each individual or entity that opens an account or requests credit.

What this means for individuals: When an individual opens an account or requests credit, we will ask for that person's name, residence address, date of birth, tax identification number and other information that allows us to identify them. We may also ask for a driver's license, passport or other identifying documents.

What this means for legal entities: When a corporation, partnership, trust or other legal entity opens an account or requests credit, we will ask for the entity's name, physical address, tax identification number and other information that will allow us to identify the entity. If applicable, the same information will be collected about the beneficial owner(s) of the entity. We may also ask for certain identifying documents, such as certified articles of incorporation, partnership agreements or a trust instrument.

SECURITIES INVESTOR PROTECTION CORPORATION® (SIPC®) INFORMATION

Information regarding SIPC, including a SIPC brochure, may be obtained by contacting SIPC via its website at www.sipc.org or by telephone at (202) 371-8300. An investment in a bank deposit program insured by the Federal Deposit Insurance Corporation (FDIC) is covered by FDIC insurance (up to allowable limits), but not eligible for SIPC coverage. Please review your statement for additional information on the sweep product in your brokerage account.

FINANCIAL INDUSTRY REGULATORY AUTHORITY® (FINRA®) INVESTOR EDUCATION AND PROTECTION

A brochure that includes information describing FINRA BrokerCheck® may be obtained from FINRA at www.finra.org. The FINRA BrokerCheck hotline number is (800) 289-9999.

MUNICIPAL SECURITIES RULEMAKING BOARD® (MSRB®) RULE G-10 INVESTOR AND MUNICIPAL ADVISORY CLIENT EDUCATION AND PROTECTION



March 1, 2023 - March 31, 2023
WESTBOROUGH WATER DISTRICT

Messages (continued)

An investor brochure that describes the protections available under MSRB rules and instructions on how to file a complaint with an appropriate regulatory authority can be found on the MSRB website at www.msrb.org. Pershing is registered with the Securities and Exchange Commission (SEC) and MSRB and is a member of FINRA and the New York Stock Exchange (NYSE).

BUSINESS CONTINUITY

Pershing maintains a business continuity plan that includes geographically dispersed data centers and processing facilities. The plan is annually reviewed and updated as necessary.

The plan outlines the actions Pershing will take in the event of an incident, including:

- Continuous processing support by personnel located in unaffected facilities.
- Relocating technology or operational personnel to alternate regional facilities.
- Switching of technology processing to an alternate regional data center.

3.C.10

All Pershing operational facilities are equipped for resumption of business and are tested. In circumstances within Pershing's control, it is Pershing's objective to resume business within four (4) hours or less, depending upon the availability of external resources.

If your firm experiences a significant business interruption, you may contact Pershing directly to process limited trade-related transactions, cash disbursements and security transfers.

Instructions to Pershing must be in writing and transmitted via facsimile to (201) 413-5368 or by postal service to Pershing LLC, P.O. Box 2065, Jersey City, NJ 07303-2065

For additional information about how to request funds and securities when your firm cannot be contacted due to a significant business interruption, please access the information located in the Business Continuity and Other Disclosures link on the Pershing website at www.pershing.com. You may also call (201) 413-3635 for recorded instructions.

PROHIBITION AGAINST UNLAWFUL INTERNET GAMBLING

In accordance with the Unlawful Internet Gambling Enforcement Act (Act), transactions associated with unlawful internet gambling are prohibited. Specifically, the Act "prohibits any person engaged in the business of betting or wagering from knowingly accepting payments in connection with the participation of another person in unlawful internet gambling." Accordingly, you must not initiate or receive wire transfers, checks, drafts or other debit/credit transactions that are restricted by the Act. For more information, please refer to <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20081112b.htm>.

IMPORTANT NOTICE FOR CALIFORNIA RESIDENTS

Pursuant to California state law (Part 3, Title 10 Chapter 7), as custodian of your assets, Pershing may be required to transfer your assets to the state of California if no activity occurs within the statutorily defined time period. The State law defines the time period to be 36 months, during which time there is no activity within the account or communication between the account owner and the financial organization

Pershing LLC's Compliance Report

The independent public accountant's report covering Pershing LLC's Compliance Report identified a material weakness during the most recent fiscal year ending December 31, 2022,



Messages (continued)

as defined in SEC Rule 17a-5(d)(3)(iii) in its Internal Control Over Compliance as defined in SEC Rule 17a-5(d)(3)(ii). The material weakness was self-identified and immediately self-reported to the appropriate regulatory authorities. Remedial actions were promptly taken and validated. Pershing's Internal Control Over Compliance was effective as of December 31, 2022.

The material weakness was related to the deficient design and implementation of a control to ensure the accurate calculation of certain related credits to be excluded from the customer reserve formula. Pershing's possession or control requirements were not implicated and the firm has not identified any adverse financial impact to customers. A copy of the above-mentioned the independent public accountant report is currently available for inspection at the SEC's principal office in Washington D.C. and the regional office of the SEC in New York.

PERSHING LLC ANNUAL DISCLOSURE OF IMPORTANT INFORMATION

TRADING ACTIVITY DISCLOSURES

PAYMENT FOR ORDER FLOW PRACTICES

Pershing sends equity orders to exchanges or broker-dealers for execution. Some of these market centers provide payments to Pershing or charge access fees depending upon the characteristics of the order and execution. Orders executed on one or more exchange(s) will either earn a rebate or be assessed an access fee based on each exchange's published fee schedule, which can typically be found on each exchange's web site. Exchange listed equity orders routed to an OTC market maker typically earn a cash payment per share for or per executed order with certain exclusions for OTC securities. The details of these payments and fees are available upon written request.

Pershing receives payments for directing U.S. exchange listed options order flow to broker-dealers using Smart Order Routing technology, which allows Pershing to access price improvement auctions on the various options exchanges. Generally, Pershing receives a per-option contract cash payment. This disclosure only applies to orders routed to Pershing, for further routing and handling, by your firm. For a list of organizations that pay Pershing for nondirected order flow, please visit www.orderroutingdisclosure.com. Pershing executes certain equity orders with a fractional share component as principal. Pershing also routes orders in preferred securities to an affiliate (BNY Mellon Capital Markets, LLC), which they may also execute as principal while facilitating the trade as a market maker.

BEST EXECUTION

Pershing selects certain market centers for routing non-directed orders that provide automated execution of substantially all electronically transmitted orders in OTC and exchange-listed equity securities. In the case of U.S. listed options Pershing selects certain wholesale brokers for routing non directed orders that provide access to option exchange price improvement auctions. The designated market centers and wholesale brokers to which orders are routed are selected based on the following:

- The consistent high quality of their executions in one or more market segments
- Their ability to provide opportunities for executions at prices superior to the national best bid of offer (NBBO)
- Service, technology reliability, accessibility speed of execution
- Cost and counterparty credit worthiness

Pershing regularly reviews reports for execution quality and other factors.

PERSHING LLC ANNUAL DISCLOSURE OF IMPORTANT INFORMATION

March 1, 2023 - March 31, 2023
WESTBOROUGH WATER DISTRICT**Messages (continued)****ACCOUNT-RELATED ACTIVITY DISCLOSURES****MARGIN DISCLOSURE**

Securities held in your margin account will be used as collateral for margin loans made to you. Some firms increase the rate of interest Pershing charges on margin loans and in those cases, Pershing and your firm share in the interest you pay. If the securities in your margin account decline in value, your financial organization or Pershing can take action, such as issuing a margin call and/or selling securities or other assets in any of your accounts held with Pershing to maintain the required equity in the margin account. It is important that you fully understand the risks involved in purchasing securities on margin. These risks include:

- You may lose more funds or securities than you deposited in your margin account.
- Your financial organization or Pershing may force the sale of securities or other assets in your account(s).
- Your financial organization or Pershing can sell your securities or other assets in your account(s) without contacting you.
- You are not entitled to choose which securities or other assets in your account(s) are to be liquidated or sold to meet a margin call.
- Your financial organization or Pershing can increase its maintenance margin requirements at any time without advance written notice to you.
- You are not entitled to an extension of time on a margin call.

Your Margin Agreement with Pershing and your firm outlines your important obligations. The Margin Agreement is a legally binding contract, and it cannot be modified by conduct. The failure on the part of Pershing or your firm at any time to enforce its rights under the Margin Agreement will not, in any way, be deemed to waive, modify or relax any of the rights granted to Pershing or your firm to deal with the collateral on all loans advanced to you.

SUBSTITUTE PAYMENT REIMBURSEMENT

As permitted under your Margin Agreement, Pershing may lend securities in your account when there is a debit balance. You are not entitled to receive a dividend when your securities are on loan over an ex-dividend date. Pershing may issue a substitute payment in lieu of the dividend and compensate you for the tax difference.

A substitute payment received in lieu of a dividend may be eligible for a reimbursement to your account only if the account is open on the reimbursement date. Please note that these reimbursements are: (1) credited at Pershing's discretion; (2) subject to change; and (3) may be eliminated without advance notification. Pershing suggests that you contact your tax advisor to discuss the treatment of substitute payments.

CASH BALANCE/"FLOAT" DISCLOSURE

Pershing obtains a financial benefit attributable to the cash balances in any account (including Employee Retirement Income Security Act accounts) that are held by Pershing in accounts held with major money center banks (the names of which will be provided upon request). Pershing's financial benefit is in the form of either interest on such balances and/or reductions in expenses that Pershing would otherwise pay to such banks.

These cash balances result from: (1) cash awaiting investment; or (2) cash pending distribution. With respect to cash awaiting investment (e.g., new contributions), Pershing obtains such financial benefit until the funds are automatically invested into a money market fund or bank deposit sweep product ("Sweep Product") or are used for other purposes, such as to purchase securities. If an account agreement provides for the automatic investment into a Sweep Product, such investment will take place on the day after the receipt of cash (and the financial benefit will be one day), unless timely instructions are received to manually purchase the sweep product on the same day that cash is received, which may be accommodated in certain cases. If the account agreement does not provide for automatic investment into a Sweep Product, no automatic investment will occur until the day after the appropriate

Messages (continued)

instructions are added to your account by your firm.

When Pershing receives a request for a distribution by check, the account is charged (debited) on the date the check is written. Pershing mails disbursement checks on the same day that they are written. Pershing may obtain the financial benefit described above from the date the check is written until the date the check is presented for payment, the timing of which is beyond Pershing's control. When a distribution is requested using an Automated Clearing House instruction, Pershing receives a one-day financial benefit in connection with the distribution. If the distribution is made using the Federal Reserve wire system, Pershing receives no financial benefit in connection with the distribution.

FEDERAL AND STATE TAX WITHHOLDING FOR RETIREMENT ACCOUNTS

You may, at any time, by contacting your firm, designate or change the federal and state income tax withholding election for distributions from your individual retirement account, 403(b)(7) custodial account or qualified retirement plan. If you do not have enough federal or state income tax withheld, you may be responsible for payment of estimated taxes. Penalties and interest may also apply.

SPECIAL NOTE FOR NON-U.S. ACCOUNTS

With respect to assets custodied by Pershing on your behalf, income and capital gains or distributions to you from your account may be taxable in your home jurisdiction and/or country of tax residence. Please consult your tax advisor for the appropriate tax treatment of your transactions.

Negative Interest Rates

In response to certain extraordinary economic conditions, some foreign countries have implemented a negative interest rate policy to stabilize their economies. Under such a policy, a central bank charges banks a fee to hold reserves, and, as a result, the banks then charge depositors a fee to maintain their deposits. Historically, the U.S. has not adopted policies resulting in negative interest rates, and there is no indication that the Federal Reserve Board plans to adopt such a policy in the future. If, however, such a policy is adopted in the U.S., banks may begin to charge fees to maintain deposits, which could result in fees being applied to certain balances such as those held through products like bank deposit sweep products. In such an event, a fee could be charged for maintaining deposits in certain scenarios.

Important Information and Disclosures

The Role of Pershing

- **Pershing LLC, member FINRA, NYSE, carries your account as clearing broker pursuant to a clearing agreement with your financial institution.** Pershing is not responsible or liable for any acts or omissions of your financial institution or its employees and it does not supervise them. Pershing provides no investment advice nor does it assess the suitability of any transaction or order. Pershing acts as the agent of your financial institution and you agree that you will not hold Pershing or any person controlling or under common control with it liable for any investment losses incurred by you.
- Pershing performs several key functions at the direction of your financial institution. It acts as custodian for funds and securities you may deposit with it directly or through your financial institution or that it receives as the result of securities transactions it processes.
- Your financial institution is responsible for adherence to the securities laws, regulations and rules which apply to it regarding its own operations and the supervision of your account, its sales representatives and other personnel. Your financial institution is also responsible for approving the opening of accounts and obtaining account documents; the acceptance and, in certain instances, execution of securities orders; the assessment of the suitability of those transactions, where applicable; the rendering of investment advice, if any, to you and in general, for the ongoing relationship that it has with you.
- Inquiries concerning the positions and balances in your account may be directed to the **Pershing Customer Service Department at (201) 413-3333**. All other inquiries regarding your account or activity should be directed to your financial institution. Your financial organization's contact information can be found on the first page of this statement.
- For a description of other functions performed by Pershing please consult the Disclosure Statement provided to you upon the opening of your account. This notice is not meant as a definitive enumeration of every possible circumstance, but as a general disclosure. If you have any questions regarding this notice or if you would like additional copies of the Disclosure Statement, please contact your financial institution.
- Pershing is a member of the Securities Investor Protection Corporation (SIPC®). Please note that SIPC does not protect against loss due to market fluctuation. In addition to SIPC

March 1, 2023 - March 31, 2023
WESTBOROUGH WATER DISTRICT

Important Information and Disclosures *(continued)*

The Role of Pershing *(continued)*

protection, Pershing provides coverage in excess of SIPC limits. For more detailed information please visit: www.pershing.com/about/strength-and-stability.

- This statement will be deemed conclusive. You are advised to report any inaccuracy or discrepancy (including unauthorized trading) promptly, but no later than ten days after receipt of this statement, to your financial organization and Pershing. Please be advised that any oral communication should be re-confirmed in writing to further protect your rights, including your rights under the Securities Investor Protection Act.
- Your financial organization's contact information can be found on the first page of this statement. Pershing's contact information is as follows: **Pershing LLC, Legal Department, One Pershing Plaza, Jersey City, New Jersey 07399; (201) 413-3330.** Errors and Omissions excepted.

Important Arbitration Disclosures

- All parties to this agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
- Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
- The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- The arbitrators do not have to explain the reason(s) for their award, unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first scheduled hearing date.
- The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.
- The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
- The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.

Important Arbitration Agreement

Any controversy between you and Pershing LLC shall be submitted to arbitration before the Financial Industry Regulatory Authority. No person shall bring a putative or certified class action to arbitration, nor seek to enforce any predispute arbitration agreement against any person who has initiated in court a putative class action, who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (I) the class certification is denied; (II) the class is decertified; or (III) the client is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein. The laws of the State of New York govern.

Pershing's contact information is as follows: **Pershing LLC, Legal Department, One Pershing Plaza, Jersey City, New Jersey 07399; (201) 413-3330.**

3.C.14

TERMS AND CONDITIONS

TRANSACTIONS

- ALL ORDERS AND TRANSACTIONS SHALL BE SOLELY FOR YOUR ACCOUNT AND RISK SHALL BE SUBJECT TO THE CONSTITUTION, RULES, REGULATIONS, CUSTOMS, USAGES, RULINGS AND INTERPRETATIONS OF THE EXCHANGE OR MARKET AND THE CLEARING FACILITY, IF ANY, WHERE THE TRANSACTIONS ARE EXECUTED AND/OR SETTLED, OR IF APPLICABLE, OF THE FINANCIAL INDUSTRY REGULATORY AUTHORITY AND TO ALL APPLICABLE LAWS AND REGULATIONS.
- TITLE TO SECURITIES SOLD TO YOU, WHERE PERSHING HAS ACTED AS PRINCIPAL, SHALL REMAIN WITH PERSHING UNTIL THE ENTIRE PURCHASE PRICE IS RECEIVED OR UNTIL THE SETTLEMENT DATE, WHICHEVER IS LATER.
- YOU MAY HAVE RECEIVED CONFIRMATIONS FOR TRANSACTIONS WHICH DO NOT APPEAR ON YOUR STATEMENT. IF SO, THE TRANSACTIONS WILL APPEAR ON YOUR NEXT PERIODIC STATEMENT. SUCH TRANSACTIONS MUST BE CONSIDERED BY YOU WHEN COMPUTING THE VALUE OF YOUR ACCOUNT. THIS IS ESPECIALLY TRUE IF YOU HAVE WRITTEN OPTIONS WHICH HAVE BEEN EXERCISED.

FREE CREDIT BALANCES: ANY FREE CREDIT BALANCE CARRIED FOR YOUR ACCOUNT REPRESENTS FUNDS PAYABLE UPON DEMAND WHICH, ALTHOUGH PROPERLY ACCOUNTED FOR ON PERSHING'S BOOKS OF RECORD, ARE NOT SEGREGATED AND MAY BE USED IN THE CONDUCT OF ITS BUSINESS.

DEBIT BALANCES: INTEREST CHARGED ON DEBIT BALANCES IN YOUR ACCOUNT APPEARS ON THE STATEMENT. THE RATE OF INTEREST AND PERIOD COVERED ARE INDICATED. THE RATE MAY CHANGE FROM TIME TO TIME DUE TO FLUCTUATIONS IN MONEY RATES OR OTHER REASONS. INTEREST IS COMPUTED AS DESCRIBED IN MATERIAL PREVIOUSLY FURNISHED TO YOU. PLEASE CONTACT YOUR FINANCIAL INSTITUTION IF YOU DESIRE ADDITIONAL COPIES.

MARGIN INFORMATION: IF YOU MAINTAIN A MARGIN ACCOUNT, THIS IS A COMBINED STATEMENT OF YOUR GENERAL ACCOUNT AND A SPECIAL MEMORANDUM ACCOUNT MAINTAINED FOR YOU UNDER REGULATION T OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM. THE PERMANENT RECORD OF THE SEPARATE ACCOUNT AS REQUIRED BY REGULATION T IS AVAILABLE FOR YOUR INSPECTION UPON REQUEST.

TAX INFORMATION

- AFTER YEAR END, PERSHING IS REQUIRED TO PROVIDE TAX INFORMATION TO THE INTERNAL REVENUE SERVICE AND OTHER GOVERNMENTAL AUTHORITIES. AT THAT TIME PERSHING WILL PROVIDE THAT INFORMATION ON THE ANNUAL TAX INFORMATION STATEMENT TO YOU; USE THAT STATEMENT TO PREPARE YOUR TAX FILINGS. THE TAX STATEMENT ALSO INCLUDES OTHER USEFUL INFORMATION TO ASSIST IN ACCUMULATING THE DATA TO PREPARE YOUR TAX RETURNS.
- DIVIDENDS, INTEREST AND OTHER DISTRIBUTIONS SHOWN ON THIS STATEMENT WERE CLASSIFIED AS TAXABLE OR NONTAXABLE BASED ON CERTAIN INFORMATION KNOWN AS OF THE DISTRIBUTION DATE. THIS CLASSIFICATION IS SUBJECT TO CHANGE AND IS SOLELY INTENDED FOR USE AS GENERAL INFORMATION.
- PERSHING DOES NOT PROVIDE TAX, INVESTMENT OR LEGAL ADVISORY SERVICES AND NO ONE ASSOCIATED WITH PERSHING IS AUTHORIZED TO RENDER SUCH ADVICE. DO NOT RELY UPON ANY SUCH ADVICE, IF GIVEN. INVESTORS ARE ENCOURAGED TO CONSULT THEIR TAX ADVISORS TO DETERMINE THE APPROPRIATE TAX TREATMENT OF THEIR BUSINESS.

GENERAL INFORMATION

- WHENEVER YOU ARE INDEBTED TO PERSHING LLC ("PERSHING") FOR ANY AMOUNT, ALL SECURITIES HELD BY IT FOR YOU IN ANY ACCOUNT IN WHICH YOU HAVE ANY INTEREST SHALL SECURE ALL YOUR LIABILITIES TO PERSHING, AND PERSHING MAY IN ITS DISCRETION AT ANY TIME, WITHOUT TENDER, DEMAND OR NOTICE TO YOU, CLOSE OR REDUCE ANY OR ALL OF YOUR ACCOUNTS BY PUBLIC OR PRIVATE SALE OR PURCHASE OR BOTH OF ALL OR ANY SECURITIES CARRIED IN SUCH ACCOUNTS; ANY BALANCE REMAINING DUE PERSHING TO BE PROMPTLY PAID BY YOU.
- WHENEVER YOU ARE INDEBTED TO PERSHING FOR ANY AMOUNT, ALL SECURITIES CARRIED FOR YOUR ACCOUNT ARE OR MAY BE, WITHOUT FURTHER NOTICE TO YOU, LOANED OR PLEDGED BY PERSHING, EITHER SEPARATELY OR UNDER CIRCUMSTANCES WHICH WILL PERMIT THE COMMINGLING THEREOF,

WITH OTHER SECURITIES FOR ANY AMOUNT LESS THAN, EQUAL TO OR GREATER THAN YOUR LIABILITIES TO PERSHING, BUT NOT UNDER CIRCUMSTANCES FOR AN AMOUNT PROHIBITED BY LAW.

- PERSHING MAY TRADE FOR ITS OWN ACCOUNT AS A MARKET MAKER, SPECIALIST, ODD LOT DEALER, BLOCK POSITIONER, ARBITRAGEUR OR INVESTOR. CONSEQUENTLY, AT THE TIME OF ANY TRANSACTION YOU MAY MAKE, PERSHING MAY HAVE A POSITION IN SUCH SECURITIES, WHICH POSITION MAY BE PARTIALLY OR COMPLETELY HEDGED.
- IF AVERAGE PRICE TRANSACTION IS INDICATED ON THE FRONT OF THIS STATEMENT YOUR FINANCIAL INSTITUTION OR PERSHING MAY HAVE ACTED AS PRINCIPAL, AGENT OR BOTH. DETAILS AVAILABLE UPON REQUEST.
- A FINANCIAL STATEMENT OF PERSHING IS AVAILABLE FOR YOUR PERSONAL INSPECTION AT PERSHING'S OFFICES. A COPY OF IT WILL BE MAILED UPON YOUR WRITTEN REQUEST OR YOU CAN VIEW IT ONLINE AT WWW.PERSHING.COM.
- FOR BUSINESS CONTINUITY AND ADDITIONAL DISCLOSURES: WWW.PERSHING.COM/DISCLOSURES.
- THIS STATEMENT SHOULD BE RETAINED FOR YOUR RECORDS.

PAYMENT FOR ORDER FLOW AND ORDER ROUTING POLICY DISCLOSURES (REGULATION NMS - RULE 607 (A) (1) - (2))

PERSHING SENDS EQUITY AND OPTION ORDERS TO EXCHANGES, OR BROKER-DEALERS AS MARKET MAKERS OR AUTOMATED TRADING SYSTEMS (ATSS). CERTAIN OF THESE VENUES PROVIDE PAYMENTS TO PERSHING OR CHARGE ACCESS FEES TO PERSHING DEPENDING UPON THE CHARACTERISTICS OF THE ORDER AND ANY SUBSEQUENT EXECUTION. THE DETAILS OF THESE PAYMENTS AND FEES ARE AVAILABLE UPON WRITTEN REQUEST. COMPENSATION IS GENERALLY IN THE FORM OF A PER SHARE OR PER OPTION CONTRACT CASH PAYMENT. IN ADDITION, PERSHING ROUTES CERTAIN EQUITY TO ITS AFFILIATE, BNY MELLON CAPITAL MARKETS, LLC, FOR EXECUTION AS PRINCIPAL.

BEST EXECUTION: NOTWITHSTANDING THE PREVIOUS PARAGRAPH REGARDING PAYMENT FOR ORDER FLOW, PERSHING SELECTS CERTAIN MARKET CENTERS TO PROVIDE EXECUTION OF OVER-THE-COUNTER AND EXCHANGE-LISTED SECURITIES TRANSACTIONS WHICH AGREE TO ACCEPT ORDERS, TRANSMITTED ELECTRONICALLY UP TO A SPECIFIED SIZE, AND TO EXECUTE THEM AT OR BETTER THAN THE NATIONAL BEST BID OR OFFER (NBBO). IN CERTAIN SECURITIES THAT ARE NOT ELECTRONICALLY QUOTED, PERSHING DIRECTLY CONTACTS MARKET CENTERS TO OBTAIN AN EXECUTION. THE DESIGNATED MARKET CENTERS TO WHICH ORDERS ARE AUTOMATICALLY ROUTED ARE SELECTED BASED ON THE CONSISTENT HIGH QUALITY OF THEIR EXECUTIONS AND THEIR ABILITY TO PROVIDE OPPORTUNITIES FOR EXECUTIONS AT PRICES SUPERIOR TO THE NBBO. PERSHING ALSO REGULARLY REVIEWS REPORTS FOR QUALITY OF EXECUTION PURPOSES.

IF ANY OF THE ABOVE TERMS AND CONDITIONS ARE UNACCEPTABLE TO YOU, PLEASE NOTIFY PERSHING IMMEDIATELY IN WRITING BY CERTIFIED MAIL TO ONE PERSHING PLAZA, JERSEY CITY, NJ 07399, ATTN: LEGAL DEPT

CLAIMS REGISTER: MARCH 2023

1. GENERAL ACCOUNT FUND:

Total from Cash Disbursements \$ 71,952.54

Checks Issued During Month:

ACWA-JPIA (Health Benefits & Ins.-04/23)	12,775.72
Aqua-Metric (Field Inventory- Omni Meters)	2,106.03
AT&T (P.S. Phone Bill to 03/01/23)	1,057.36
AT&T Mobility (Field & Office Cell Phones, 02/03-03/02)	330.64
BAWSCA (Water Loss Program, January 2022)	1,300.00
Bay Alarm (Office Burglar & Fire Alarm Monitoring, 04/01-07/01)	421.11
Bay Area Air Quality Mgmt. (Permit Renewal for Rowntree P.S., 04/23-04/24)	490.00
C.J. Brown & Company CPA's (FY 2021-2022 Audit Services, Progress Pymt.#15)	2,165.00
CalPERS (Retirement Contributions-03/15/23)	5,405.49
CalPERS (Retirement Contributions-03/31/23)	5,405.49
Capital One Trade Credit (Field Supplies at OSH-Millbrae)	292.13
Chavan & Associates, LLP (Accounting Services 12/22 & 01/23)	3,000.00
Corbin Willits Systems (Software Maintenance, 04/23-07/23)	2,676.08
Colina Association (Three Parking Spaces Rental, 04/23)	450.00
Direct Line (Answering Service, 02/15-03/14)	280.40
EFTPS (Employment Taxes-03/15/23)	11,441.40
EFTPS (Employment Taxes-03/31/23)	10,590.33
EDD (Employment Taxes-03/15/23)	2,645.08
EDD (Employment Taxes-03/31/23)	2,355.29
Hanson Bridgett LLP (Special Legal Services & Monthly Retainer-02/23)	1,800.00
Home Depot Credit Services (Field Supplies to 03/13/23)	459.65
Mairena, Patricia (GM Mairena's Internet Services, 02/27-03/26 & 02/23 Membership Dues)	84.99
Lowe's Business (Field Supplies to 03/17/23)	230.76
MRC (Xerox Copier Maintenance Agreement, 02/19-03/18)	65.13
North Coast County Water (Bacteria Analyses-02/23)	560.00
Office Depot (Office & Breakroom Supplies)	230.25
O'Reilly Auto Parts (4 bottles of Wiper Fluid)	19.71
PG&E (Summary Bill to 03/22/23)	22,305.26
Quadient Leasing USA, Inc. (Property Tax Recovery Charge - Postage Meter Lease)	62.95
SF Water Dept. (Water Purchases, 02/04-03/06)	137,091.97
So. SF Scavengers (Garbage Services, 02/23)	100.96
Tri Counties Bank (Monthly Credit Card Charges Ending 02/28/23)	2,170.35
WES Bank (Wright Express-Gas Purchases to 03/15/23)	1,254.18

SUB-TOTAL \$ 303,576.25

Updated Checks Voided During Month:

TOTAL CLAIMS REGISTER AMOUNT \$ 303,576.25

REPORT.: Apr 10 23 Monday
 RUN....: Apr 10 23 Time: 10:16
 Run By.: Wendy Bellinger
 Control Date.: 04/10/23

WESTBOROUGH WATER DISTRICT
 Accounts Payable Cash Requirements

PAGE: 001
 ID #: PY-RP
 CTL.: 000

Posting Period.: 04-23 Fiscal Period.: (10-23) Cash Account No.: 13110

VENDOR I.D.: AMU01 (AMUZIE, DON)

Invoice No	Description	Invoice Date	Actual Period	G/L Tm	Account #	Discount	Gross Amount	Discount Amount	Net Amount
		Due Date	Fiscal						
030123-	DIRECTOR AMUZIE'S INTERNET SERVICE, 03/10-04/09	03/01/23	04-23	A	59450		65.00	.00	65.00
		03/01/23	10-23						
** Vendor's Subtotal ----->							65.00	.00	65.00

VENDOR I.D.: AQU01 (AQUA-METRIC SALES, CO.)

INV093533-	OMNI METER 8" (1)	03/01/23	04-23	A	59450		2738.88	.00	2738.88
		03/01/23	10-23						
INV093608-	RUBBER METER GASKETS - 3/4"X1/8' & 3/4"X1/16"	03/08/23	04-23	A	59450		1107.21	.00	1107.21
		03/08/23	10-23						
INV093944-	COMMANDLINK - AUTO GUNS (2)	03/23/23	04-23	A	59450		1513.11	.00	1513.11
		03/23/23	10-23						
** Vendor's Subtotal ----->							5359.20	.00	5359.20

VENDOR I.D.: ARA01 (ARAMARK)

25360001-	FIELD UNIFORMS	03/07/23	04-23	A	59450		287.45	.00	287.45
		03/07/23	10-23						
** Vendor's Subtotal ----->							287.45	.00	287.45

VENDOR I.D.: BAU02 (BAUTISTA, PERRY H.)

032223-	DIRECTOR BAUTISTA'S INTERNET SERVICE, 04/23	03/22/23	04-23	A	59450		65.00	.00	65.00
		03/22/23	10-23						
** Vendor's Subtotal ----->							65.00	.00	65.00

VENDOR I.D.: CAS01 (PETTY CASH)

033123-	MISC. EXPENSES - 03/23	03/31/23	04-23	A	59450		206.74	.00	206.74
		03/31/23	10-23						
** Vendor's Subtotal ----->							206.74	.00	206.74

VENDOR I.D.: CHA04 (CHAMBERS, TOM)

031123-	DIRECTOR CHAMBERS' INTERNET SERVICE, 03/16-04/15	03/11/23	04-23	A	59450		65.00	.00	65.00
		03/11/23	10-23						
** Vendor's Subtotal ----->							65.00	.00	65.00

VENDOR I.D.: LAU01 (LAUNCH! CONSULTING)

01-340210-	CONSULTING SERVICES, AAR & ERP, 02/10-04/05	04/06/23	04-23	A	59450		9935.00	.00	9935.00
		04/06/23	10-23						
** Vendor's Subtotal ----->							9935.00	.00	9935.00

VENDOR I.D.: LEE41 (LEE, GARRICK)

032423-	ONE WWD WASHING MACHINE REABTE FOR ACCT NO LEE0188	03/24/23	04-23	A	59450		100.00	.00	100.00
		03/24/23	10-23						
** Vendor's Subtotal ----->							100.00	.00	100.00

VENDOR I.D.: LIP01 (LIFTOFF DIGITAL, LLC)

33973-	WEB REPORTING & HOSTING, 04/23	04/01/23	04-23	A	59450		75.00	.00	75.00
		04/01/23	10-23						
** Vendor's Subtotal ----->							75.00	.00	75.00

VENDOR I.D.: MED01 (MEDINA, JANET)

Invoice No	Description	Invoice Date	Actual Period	G/L Tm	Account #	Discount	Gross Amount	Discount Amount	Net Amount
		Due Date	Fiscal						
030123-	DIRECTOR MEDINA'S INTERNET SERVICE, 03/10-04/09	03/01/23	04-23	A	59450		65.00	.00	65.00
		03/01/23	10-23						
** Vendor's Subtotal ----->							65.00	.00	65.00

VENDOR I.D.: OFF01 (OFFICE DEPOT)

032823-	OFFICE SUPPLIES	03/23/23	04-23	A	59450		18.78	.00	18.78
		03/23/23	10-23						
** Vendor's Subtotal ----->							18.78	.00	18.78

VENDOR I.D.: RIC03 (RICHARDS, JULIE L)

022823-	DIRECTOR RICHARDS' INTERNET SERVICE, 03/23	02/28/23	04-23	A	59450		65.00	.00	65.00
		02/28/23	10-23						
** Vendor's Subtotal ----->							65.00	.00	65.00

VENDOR I.D.: SO 01 (SO, LAI SIM)

040623-	ONE WWD HET REBATE FOR ACCT NO SO 0002	04/06/23	04-23	A	59450		50.00	.00	50.00
		04/06/23	10-23						
** Vendor's Subtotal ----->							50.00	.00	50.00

VENDOR I.D.: SOU03 (SO.SF CHAMBER OF COMMERCE)

15705-	MEMBERSHIP FEE, 05/01/23-05/01/24	04/07/23	04-23	A	59450		280.00	.00	280.00
		04/07/23	10-23						
** Vendor's Subtotal ----->							280.00	.00	280.00

VENDOR I.D.: STA01 (STAPLES CREDIT PLAN)

323338628-	OFFICE SUPPLIES	02/27/23	04-23	A	59450		17.68	.00	17.68
		02/27/23	10-23						
323410502-	OFFICE SUPPLIES	02/28/23	04-23	A	59450		12.43	.00	12.43
		02/28/23	10-23						
323787448-	OFFICE SUPPLIES	03/07/23	04-23	A	59450		57.33	.00	57.33
		03/07/23	10-23						
324300227-	BREAKROOM & OFFICE SUPPLIES	03/17/23	04-23	A	59450		97.16	.00	97.16
		03/17/23	10-23						
** Vendor's Subtotal ----->							184.60	.00	184.60

VENDOR I.D.: TAY01 (TAYLOR COMMUNICATIONS)

4244702-	CASH RECEIPTS FOR COUNTER	03/09/23	04-23	A	59450		346.59	.00	346.59
		03/09/23	10-23						
** Vendor's Subtotal ----->							346.59	.00	346.59

VENDOR I.D.: TRA01 (TRAP'S TIRE & AUTO CTR.)

000073914-	TRUCK 86 RELINE FRONT & REAR BRAKES	03/10/23	04-23	A	59450		2687.72	.00	2687.72
		03/10/23	10-23						
000074018-	TRUCK 88 (4) NEW TIRES	03/29/23	04-23	A	59450		1515.10	.00	1515.10
		03/29/23	10-23						
** Vendor's Subtotal ----->							4202.82	.00	4202.82

VENDOR I.D.: WES02 (W.W.D. PAYROLL ACCOUNT)

033123-	PAYROLL TRANSFER - 03/23	03/31/23	04-23	A	59450		47829.01	.00	47829.01
		03/31/23	10-23						
** Vendor's Subtotal ----->							47829.01	.00	47829.01

Invoice No	Description	Invoice Date	Actual Period	G/L	Account #	Discount	Gross Amount	Discount Amount	Net Amount
		Due Date	Fiscal Tm						
20123557-	CLOUD-BASED MONITORING CELL ACCESS, 04/23-07/23	03/15/23	04-23	A	59450		1287.00	.00	1287.00
		03/15/23	10-23						
** Vendor's Subtotal ----->							1287.00	.00	1287.00

VENDOR I.D.: YAN02 (YANG, CHEN-YEN)

030623-	THREE WWD HET REBATES FOR ACCT NO YAN0056	03/06/23	04-23	A	59450		150.00	.00	150.00
		03/06/23	10-23						
** Vendor's Subtotal ----->							150.00	.00	150.00

VENDOR I.D.: \B007 (JADE BRANNER)

000C30301-	MQ CUSTOMER REFUND FOR BRA0051	04/03/23	04-23	Z	59450		114.34	.00	114.34
		04/03/23	10-23						
** Vendor's Subtotal ----->							114.34	.00	114.34

VENDOR I.D.: \C025 (JONI CASTRO)

000C30301-	MQ CUSTOMER REFUND FOR CAS0106	04/03/23	04-23	Z	59450		114.16	.00	114.16
		04/03/23	10-23						
** Vendor's Subtotal ----->							114.16	.00	114.16

VENDOR I.D.: \C026 (DANIEL CHANG)

000C30301-	MQ CUSTOMER REFUND FOR CHA0363	04/03/23	04-23	Z	59450		39.56	.00	39.56
		04/03/23	10-23						
** Vendor's Subtotal ----->							39.56	.00	39.56

VENDOR I.D.: \F005 (BILL FERGUSON)

000C30301-	MQ CUSTOMER REFUND FOR FER0059	04/03/23	04-23	Z	59450		100.87	.00	100.87
		04/03/23	10-23						
** Vendor's Subtotal ----->							100.87	.00	100.87

VENDOR I.D.: \K014 (SHIGEMICHI KASAI)

000C30301-	MQ CUSTOMER REFUND FOR KAS0001	04/03/23	04-23	Z	59450		109.48	.00	109.48
		04/03/23	10-23						
** Vendor's Subtotal ----->							109.48	.00	109.48

VENDOR I.D.: \L014 (BRUCE LEUNG)

000C30301-	MQ CUSTOMER REFUND FOR LEU0052	04/03/23	04-23	Z	59450		91.59	.00	91.59
		04/03/23	10-23						
** Vendor's Subtotal ----->							91.59	.00	91.59

VENDOR I.D.: \P006 (RICO & MAY JEAN PENA)

000C30301-	MQ CUSTOMER REFUND FOR PEN0020	04/03/23	04-23	Z	59450		85.47	.00	85.47
		04/03/23	10-23						
** Vendor's Subtotal ----->							85.47	.00	85.47

VENDOR I.D.: \R004 (BARKHA RAISONI)

VENDOR I.D.: \R004 (BARKHA RAISONI)

Invoice No	Description	Invoice Date	Actual Period	G/L Tm	Account #	Discount	Gross Amount	Discount Amount	Net Amount
		Due Date	Fiscal						
000C30301-	MQ CUSTOMER REFUND FOR RAI0002	04/03/23	04-23	Z	59450		127.79	.00	127.79
		04/03/23	10-23						
** Vendor's Subtotal ----->							127.79	.00	127.79

VENDOR I.D.: \R015 (GALYN RYAN RAWLS)

000C30301-	MQ CUSTOMER REFUND FOR RAW0001	04/03/23	04-23	Z	59450		88.62	.00	88.62
		04/03/23	10-23						
** Vendor's Subtotal ----->							88.62	.00	88.62

VENDOR I.D.: \R017 (FLORMARIA RHODES)

000C30301-	MQ CUSTOMER REFUND FOR RHO0004	04/03/23	04-23	Z	59450		87.67	.00	87.67
		04/03/23	10-23						
** Vendor's Subtotal ----->							87.67	.00	87.67

VENDOR I.D.: \S015 (ELIAS SAADEH)

000C30301-	MQ CUSTOMER REFUND FOR SAA0004	04/03/23	04-23	Z	59450		77.96	.00	77.96
		04/03/23	10-23						
** Vendor's Subtotal ----->							77.96	.00	77.96

VENDOR I.D.: \S016 (GEOMARCOS SANTOS)

000C30301-	MQ CUSTOMER REFUND FOR SAN0168	04/03/23	04-23	Z	59450		97.20	.00	97.20
		04/03/23	10-23						
** Vendor's Subtotal ----->							97.20	.00	97.20

VENDOR I.D.: \T004 (DONALD LOGAN TATE)

000C30301-	MQ CUSTOMER REFUND FOR TAT0001	04/03/23	04-23	Z	59450		29.29	.00	29.29
		04/03/23	10-23						
** Vendor's Subtotal ----->							29.29	.00	29.29

VENDOR I.D.: \U001 (RICHARD UNSINN)

000C30301-	MQ CUSTOMER REFUND FOR UNS0001	04/03/23	04-23	Z	59450		128.95	.00	128.95
		04/03/23	10-23						
** Vendor's Subtotal ----->							128.95	.00	128.95

VENDOR I.D.: \V001 (GRACE C. VILLALON)

000C30301-	MQ CUSTOMER REFUND FOR VIL0073	04/03/23	04-23	Z	59450		22.40	.00	22.40
		04/03/23	10-23						
** Vendor's Subtotal ----->							22.40	.00	22.40

** Report's Total -----> 71952.54 .00 71952.54
 =====

** Total Vendors On This Report -----> 35
 =====

** Total Vendors Needing Checks -----> 35
 =====

A IMMEDIATE

STAFF REPORT

TO: Board of Directors

FROM: Patricia Mairena, General Manager

DATE: April 10, 2023

RE: Consideration to Approve Billing Rate Increase for Chavan and Associates, Inc., Effective July 1, 2023.

BACKGROUND

On February 17, 2023, General Manager Mairena was notified by Paul Pham of Chavan and Associates, Inc., that due to an increase in their payroll and other related costs, such as software and hardware, they would need to increase our fees to \$2,500 per month effective March 1, 2023. The current monthly charge is \$1,500 per month.

INFORMATION

Chavan and Associates, Inc. has been the District's CPAs firm since July 2010 (*the original contract monthly amount was \$1,100*). The most recent Letter of Engagement was signed by former General Manager, Darryl Barrow back in April 2019 with monthly fees of \$1,250 per month. The current monthly fees charged to the District are \$1,500 per month. The proposed increase would add \$1,000 per month to the current fees. General Manager Mairena asked Sheldon Chavan to consider aligning the increase date with the start of the new fiscal year, so that the District would have enough time to review this matter with the Board of Directors and budget accordingly.

DISCUSSION

Although the proposed increase is rather steep, there are not many public agency accounting firms in the area. Also, the District uses a very customized financial software system which requires several hours of in-person training by Corbin Willits Systems for new a new accountant.

Chavan and Associates, Inc. also provides services to Purissima Hills Water District (PHWD) and Mid-Peninsula Water District (MPWD). MPWD reported that they have been notified by Chavan and Associates, Inc. that they would be terminating their contract with them effective the end of this fiscal year. Their contract anticipated amount was \$64,500 for this year. Chavan and Associates currently charges an hourly rate of \$250 to PHWD. As of today, it is unknown if Chavan has requested an increase from PHWD.

FISCAL IMPACT

The additional cost to the District is \$1,000 per month or \$12,000 per year. Since the increase will not take place until July 1, 2023, the cost could be budgeted for FY 2023-2024.

RECOMMENDATION

It is the General Manager's recommendation that the Board approve Chavan and Associates, Inc.'s billing rate increase effective July 1, 2023, and then have District staff request RFPs for the following fiscal year 2024-2025.

ATTACHMENT

Attachments: Chavan and Associates email dated April 10, 2023, and Letter of Engagement dated March 30, 2023.

Patricia Mairena

From: Sheldon Chavan <Sheldon@cnallp.com>
Sent: Monday, April 10, 2023 7:49 AM
To: Patricia Mairena; Paul Pham
Cc: Wendy Bellinger
Subject: RE: Increase in Fees

Hi Patricia,

Our fee increase is to align with current payroll and other related costs, such as software and hardware. Everything has gone up about 30% in our industry over the last three years, since COVID.

I hope this helps.

Thanks,
Sheldon



Chavan and Associates, LLP
Certified Public Accountants

Sheldon Chavan, CPA, Managing Partner

Chavan & Associates, LLP
15105 Concord Circle, Ste. 130, Morgan Hill, CA 95037
Cell: 650-346-1329 ~ Office: 408-217-8749 ~ Fax: 408-872-4159

Skills, Knowledge and Experience

From: Patricia Mairena <pmairena@westboroughwater.org>
Sent: Monday, April 10, 2023 6:20 AM
To: Paul Pham <Paul@cnallp.com>; Sheldon Chavan <Sheldon@cnallp.com>
Cc: Wendy Bellinger <wbelling@westboroughwater.org>
Subject: Re: Increase in Fees

External Email: Use caution before replying, clicking links, and opening attachments.

Good morning Paul and Sheldon,

I received the engagement letter, and I am placing it on the agenda for this upcoming Thursday's board meeting. Could you please send me a summary of why your company needs to increase the fees to this level so that I can report it to the Board?

Best regards,

Patricia Mairena
General Manager
Westborough Water District
P.O. Box 2747
South San Francisco, CA 94083-2747
650-589-1435



Chavan and Associates, LLP
Certified Public Accountants

March 30, 2023

To the Board of Directors
Westborough Water District

You have requested that we prepare the monthly financial statements of Westborough Water District (the District), which comprise the statement of net position, beginning with the month ending July 31, 2023, and the related statements of activities for the months then ended, and perform a compilation engagement with respect to those financial statements. These financial statements will not include a statement of cash flows and related notes to the financial statements. In addition, we will perform monthly bookkeeping services beginning with the month ending July 31, 2023. We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter.

Our Responsibilities

The objective of our compilation engagement is to:

- a. Prepare financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) based on information provided by you; and
- b. Apply accounting and financial reporting expertise to assist you in the presentation of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

In addition, the compilation report we submit to you will include supplementary information about budget to actual income and expenses. We will compile the schedule of budget to actual, but we will not audit or review such information, nor express an opinion, a conclusion, or provide any assurance on it.

We will conduct our compilation engagement in accordance with Statements on Standards for Accounting and Review Services (SSARs) promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA) and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion nor provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the District or noncompliance with laws and regulations.



Chavan and Associates, LLP

Certified Public Accountants

Your Responsibilities

The compilation engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to prepare financial statements in accordance with accounting principles generally accepted in the United States of America and assist you in the presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARs:

- a. The selection of accounting principles generally accepted in the United States of America as the financial reporting framework to be applied in the preparation of the financial statements.
- b. The preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in the United States of America.
- c. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements.
- d. The prevention and detection of fraud.
- e. To ensure that the District complies with the laws and regulations applicable to its activities.
- f. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
- g. To provide us with:
 - i. Access to all information of which you are aware is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - ii. Additional information that we may request from you for the purpose of the compilation engagement.
 - iii. Unrestricted access to persons within the District of whom we determine it necessary to make inquiries.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge, and experience to oversee all nonattest services that we provide, such as our preparation of your monthly financial statements, supplementary information, and our related bookkeeping services. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Our Report

As part of our engagement, we will issue a report that will state that we did not audit or review the financial statements and that, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them. Our report will disclose that the District's management has elected to omit the statement of cash flows and substantially all of the disclosures required by U.S. GAAP. If the statement of cash flows and omitted disclosures were to be included in the financial statements, they might influence the user's conclusions about the District's financial



Chavan and Associates, llp
Certified Public Accountants

position, results of operations, and cash flows. Accordingly, the financial statements will not be designed for those who are not informed about such matters.

We will disclose that we are not independent in our compilation report.

You agree to include our accountant's compilation report in any document containing financial statements that indicates that we have performed a compilation engagement on such financial statements and, prior to inclusion of the report, to ask our permission to do so.

Other Relevant Information

As part of our engagement, we will also perform the following nonattest services:

- We will visit the office once a month to review the general ledger and run needed reports needed.
- We will review and analyze the monthly billing, payroll, accounts payable and cash management activity each month.
- We will review and analyze the capital expenditures each month.
- We will reconcile the property, plant, equipment and infrastructure depreciation schedule for your approval and review each month and provide the annual schedule to the auditors.
- We will provide report only reclassification journal entries used to compile the monthly reports for your approval. These journal entries will be in accordance with GAAP.
- We will provide electronic copies of all records used to prepare the monthly reports and other schedules by the first Friday of each month, or as otherwise agreed.
- Our services will include meetings with management, as needed, to go over the services provided by our firm.
- We will review and provide recommended changes to the annual closing entries each year prior to the audit.
- We will review and provide recommended changes to the bank reconciliations for three accounts each month.

If, for any reason, we are unable to complete the compilation of your financial statements, we will not issue a report on such statements as a result of this engagement.

Sheldon Chavan is the engagement partner for the services specified in this letter. His responsibilities include supervising Chavan & Associates LLP's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the accountant's report.

Our fee for these services will be based upon the number of hours required by the staff assigned to complete the engagement. In accordance with our recent discussion, we believe that the engagement fee will not exceed **\$2,500** per month. However, if we encounter unexpected circumstances that require us to devote more staff time to the engagement than anticipated, we will discuss the matter with you.



Chavan and Associates, LLP
Certified Public Accountants

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

You agree to release, indemnify, defend, and hold us harmless from any liability or costs, including attorney's fees, resulting from management's knowing misrepresentations to us.

We look forward to a continued relationship with your District, and we are available to discuss the contents of this letter or other professional services you may desire. If the foregoing is in accordance with your understanding, please sign the copy of this letter in the space provided and return it to us or follow the DocuSign link.

Very truly yours,

Sheldon Chavan, CPA, Partner
Chavan & Associates LLP

RESPONSE:

This letter correctly sets forth the understanding of the Westborough Water District.

Officer signature:

Title:

Date:

March 24, 2023

Patricia Mairena
 General Manager
Westborough Water District
 P.O. Box 2747
 South San Francisco, CA 94083-2747

Re: OPEB Actuarial Valuation Fees and Data Request

Dear Ms. Mairena :

Foster & Foster would be pleased to provide the Westborough Water District actuarial consulting services. This letter summarizes the project background, our fees/timing, and data requirements for a June 30, 2023 actuarial valuation on the District's retiree healthcare plan.

Background

Foster & Foster (formerly Bartel Associates) prepared a June 30, 2021 valuation. The June 30, 2023 valuation will provide the Plan's June 30, 2023 funded status, 2024/25 and 2025/26 actuarially determined contributions (ADC), and the basis for 2023/24 and 2024/25 GASBS 75 accounting information. GASBS 75 accounting information for each fiscal year will be provided in a separate report. The GASBS 75 reports will include all actuarial information necessary for GASBS 75 including Notes, RSI, supporting exhibits and calculations, and journal entries. We will meet with the District (via video conference call) to review results of each report.

Our report will include the same information as previous reports:

- Historical valuation results, asset information including returns, demographic information, and contributions vs. ADC
- Gain and loss analysis with changes in the Actuarial Accrued Liability since the prior valuation
- Long term contribution and benefit payout projection
- Results provided separately for cash and implied subsidy benefits
- Detailed participant statistics, including summary of healthcare plan and coverage elections

Fees

Information provided under the actuarial valuation, timing, and fees are as follows:

Project	Approximate Start/ Completion Date	Fees
Valuation report and meeting, including <ul style="list-style-type: none"> ■ 6/30/23 funded status ■ 2024/25 and 2025/26 recommended contributions ■ CERBT valuation packet 	July 2023/ September 2023	\$ 12,300
2023/24 GASBS 75 Report (based on 6/30/23 valuation)	August 2023/ September 2023	2,750
2024/25 GASBS 75 Report (6/30/23 valuation rolled forward to 6/30/24 measurement date)	August 2024/ September 2024	2,900
Total		\$ 17,950



Please note that our fees assume:

- The District has made no changes to its retiree healthcare plan or healthcare providers since the last actuarial valuation as of June 30, 2021
- No substantial changes occur after the valuation date that would require revised actuarial assumptions and/or plan provisions for GASBS 75
- Participant census data requested will be provided completely and accurately in an Excel workbook with 1 record per participant and all requested information will be internally consistent
- Costs and liabilities will be provided using 1 funding method and 1 set of assumptions
- The District has not changed its funding policy of contributing the full ADC

Please note that our fees will be higher if:

- Results are needed separately for additional employee groups or alternative plan designs
- The District requests additional meetings or any work out of the scope of this letter. If additional work is requested, we will provide a fee quote.
- Assistance with footnotes under GASBS 75 beyond our GASBS 75 reports (which will contain all actuarial related information needed for footnotes)

Timing

Normally, the valuation results meeting is set about 6 to 8 weeks after we receive all the requested information and the District replies to any questions we may have after our initial review of the requested data. GASBS 75 reports will be completed approximately 2-3 weeks after year-end information is received, provided we have already completed the valuation.

Data Requirements

Information needed for the projects is as follows:

General Information

- Description of any District OPEB benefits changes since the June 30, 2021 actuarial valuation (please review the benefit summary in our June 30, 2021 valuation report) and any anticipated future changes
- Monthly medical premiums or rates for active employees, retirees not eligible for Medicare, and retirees eligible for Medicare for 2023 and 2024 (if known) for single, 2-party, and family coverage for all healthcare plans offered to actives and retirees and the premium effective dates
- All quarterly trust statements received from CalPERS CERBT since June 30, 2022 including contributions and dates made
- District contributions budgeted to be made to the OPEB trust for years after 2021/22, if any, that the District would like us to include in our 10-year projections. If none, we will use the District's current funding policy and our valuation results for the 10-year projections.



Participant Census Data

- Active and retired participant data as of the June 30, 2023 valuation date in an Excel workbook format. (Note this is a “snapshot” date, so the census data file should not include any employee hires, terminations, or retirements after June 30, 2023.) Active and retired participant information can be provided on separate worksheets. Provide only one record for the employee, retiree, or survivor and include any requested spouse or dependent information on that single record. Do not provide separate records for spouses or dependents.
 - Active Employee Data - name, birth date, hire date, gender, total CalPERS service with the District, total CalPERS service including CalPERS service at other agencies and reciprocal employment, healthcare plan and region, single/2-party/family coverage, CalPERS pension plan tier (e.g., 2%@55, 2%@62, etc.), classification (full-time, part-time, temporary, seasonal, etc.), OPEB eligibility, and 2022/23 PERSable compensation.
 - For any part-time, temporary, and seasonal employees, indicate if they are currently eligible for OPEB at retirement, and if not, indicate if they might likely be in a classification eligible for OPEB at retirement.
 - Include active employees who waived healthcare coverage.
 - Retiree Data - name, birth date, hire date, gender, retirement type (service retirement, disability retirement, surviving spouse), retirement date, healthcare plan and region, single/2-party/family coverage, spouse's birth date (if available), portion of the monthly premium paid by the District for June 2023, and portion of the monthly premium paid by the retiree for June 2023. (The portion of the premium paid by the District and the portion paid by the retiree should equal the premium.) Include any retirees or surviving spouses of retirees who waived coverage if they can join the plan at a later date.

GASBS 75 Accounting Reports

(we will begin working on the valuation before the data below becomes available)

- Fiscal Year End June 30, 2024 GASBS 75 Report
 - Covered employee payroll for fiscal year 2023/24 – the total payroll (gross W-2 Medicare wages) for all employees who could be eligible for OPEB (including those terminated during the year).
 - OPEB retiree pay-as-you-go costs (retiree health insurance subsidy paid by District) paid by the District during fiscal year 2023/24. Indicate portion of payments, if any, that were reimbursed by the trust.
 - Employer contribution made to the trust during fiscal year 2023/24.
- Fiscal Year End June 30, 2025 GASBS 75 Report
 - Covered employee payroll for fiscal year 2024/25 – the total payroll (gross W-2 Medicare wages) for all employees who could be eligible for OPEB (including those terminated during the year).
 - OPEB retiree pay-as-you-go costs (retiree health insurance subsidy paid by District) paid by the District during fiscal year 2024/25. Indicate portion of payments, if any, that were reimbursed by the trust.
 - Employer contribution made to the trust during fiscal year 2024/25.
 - Participant head counts (actives, retirees, and waived retirees) as of June 30, 2024 (measurement date).



We may need additional data depending on our review of the District's retiree medical plan design. We understand the above data request could seem extensive; we are available to assist or answer any questions.

We look forward to continue working with you and the District. Please contact me (doug.pryor@foster-foster.com or 650-377-1602) with any questions.

Sincerely,

Doug Pryor
Senior Consulting Actuary

c: Katherine Moore, Foster & Foster, Inc.
Matthew Childs, Foster & Foster Inc.

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Actuarial Consulting Services

in Response to:

Request for Proposal
for
Professional Actuarial Services
with respect to the
Westborough Water District
including
Actuarial Funding Valuation and GASB 75 Disclosures
for
Other Post-Employment Benefits (OPEB)

Actuarial Consulting Group LLC
626 Powell St., Suite 506
San Francisco, CA 94108
(707) 237-1234

April 4, 2023



ACTUARIAL
CONSULTING
GROUP

April 4, 2023

RETIREMENT PLAN CONSULTANTS

WWW.ACTUARIALCG.COM
626 POWELL STREET, SUITE 506
SAN FRANCISCO, CA 94108-3025
TEL: 707-237-1234

Ms. Patricia Mairena, General Manager
Westborough Water District
P.O. Box 2747
South San Francisco, CA 94083

Dear Ms. Mairena,

We appreciate the opportunity to propose actuarial services for the Westborough Water District (the "District") Other Post-Employment Benefits (OPEB) plan. This proposal describes our qualifications, our approach to completing the valuation, scope of work, our fees, and references.

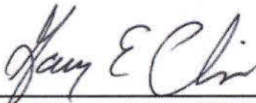
Actuarial Consulting Group LLC (ACG) is an equal opportunity employer with significant experience in the GASB pension and OPEB actuarial consulting arena, having performed hundreds of actuarial valuations for a wide assortment of public agencies. Our team has over 35 years of experience consulting on the financial management, design, and compliance for pension and retiree medical plans to large employers.

At ACG, we have been able to take advantage of the changing actuarial and business fields by marrying industry standard software, seasoned consultants from global firms, and our own independently developed proprietary systems to deliver the annual GASB compliance work with the highest levels of product quality with extremely low overhead. This allows us to focus our time on providing quality consulting and assistance to our clients at no additional cost to you.

ACG has no conflicts of interest with the District and looks forward to working together. Please let us know if there are any questions about our proposal. Gary can be reached by phone at (707) 237-1234 or email at Gary.E.Cline@ActuarialCG.com.

We have received any and all amendments to this RFP. This proposal does not contain proprietary or confidential information or trade secrets and can be published by the District.

Sincerely,



Gary E. Cline, ASA, FCA, EA, MAAA.
Partner, Senior Actuary

Section I. –Firm Profile

Actuarial Consulting Group LLC is jointly owned by Gary E. Cline and Gary T. Cline. The company was launched January 2022 and maintains a business license in San Francisco, California.

We focus on putting clients first, which means our passion and purpose is all about understanding your needs and working with you to find the best outcomes. But we don't stop there. We work tirelessly to help our clients take advantage of the work by helping our clients communicate the value of the benefit plans. Pension and OPEB plans can be viewed as type of life insurance, one that provides peace of mind to employees for their post-employment life. Our qualifications as a firm aren't just our people, depth of experience, and our software, but also our passion for how we approach each client individually and thoughtfully.

The pension and retiree medical plans are the two most important compensation plans rewarding long service employees. They represent a large commitment by the District and are likely perceived by employees as two of the most valuable benefits stemming from their commitment to public sector service.

Our core service is managing risks associated with these plans. In this proposal we'll explain our risk management framework and give insights on how we could help identify and tackle those risks.

Core Services:

- Pension and OPEB plan design, funding, cost management
- Stabilization trusts
- CalPERS pension and PEMHCA strategies
- GASB 67/68 and 74/75 disclosures
- Cost smoothing techniques
- Union negotiations and employee communications
- Open and closed group projections
- Defined benefit and defined contribution health care designs

Our reports include:

- An executive summary comparing the current and prior valuation results
- An easy-to-understand narrative describing the sources of changes in cost
- A breakdown of the implied subsidy mandated by ASOP 6
- All GASB 68 & 75 required disclosures
- All Required Supplementary Information

Key Personnel Assigned to this Project



Gary E. Cline, ASA, EA, MAAA, FCA

(707) 237-1234 | Gary.E.Cline@ActuarialCG.com

With over 35 years in employee benefits, Gary has served as retirement consultant for a wide range of public municipalities, private sector corporations, and nonprofit organizations. Gary helps employers manage benefits by helping them articulate and manage their benefit, funding, investment and accounting policies as well as foster an understanding in how they are all interrelated.



Gary T. Cline

(707) 321-1234 | Gary.T.Cline@ActuarialCG.com

Has spent the last 6 years in the actuarial field designing and building actuarial systems while completing annual GASB and FASB valuations under the guidance of accredited actuaries. He is responsible for the servers, IT infrastructure, and non-standard actuarial systems and databases unique to ACG. His experience spans multiple states with organizations participating in CalPERS, CalSTRS, CCCERA, SBCERA, ASRS, PSPRS, and more.

References

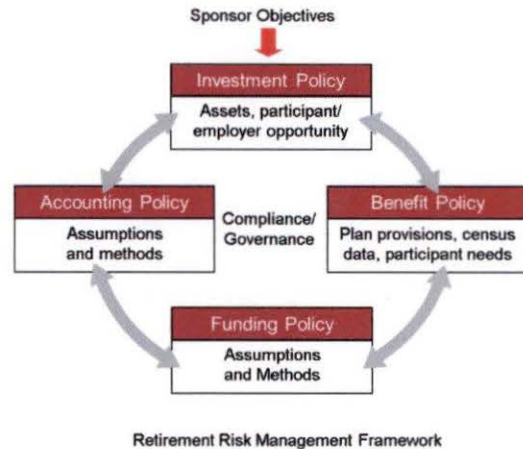
Client Name	Scope of Work	Contact
City of Fillmore 250 Central Avenue Fillmore, CA 93015	GASB 75 GASB 68 (Pooled) CERBT Filling	Mr. Roel Briones Finance Director rbriones@fillmoreca.gov 805-727-4201
Cal Poly Corporation 1 Grand Avenue San Luis Obispo, CA 93405	GASB 75 GASB 68 (Pooled)	Mr. Dan Banfield Senior Director of Business & Finance dbanfiel@calpoly.edu 805-756-7335
Weaverville Community Services District 716 Main Street Weaverville, CA 96093	GASB 75 GASB 68 (Pooled)	Mr. Tim Kasper General Manager Tim@weavervillecsd.com 530-623-5051
Housing Authority of Contra Costa County 3133 Estudillo Street Martinez, CA 94553	GASB 75	Mr. John Hunger Finance Director jhunter@contracostahousing.org 530-957-8014
Crescenta Valley Water District 2700 Foothill Boulevard Crescenta, CA 91214	GASB 75 CERBT Filling	Mr. Arturo Montes Finance & Admin. Manager AMontes@cvwd.com 818-236-4105
Crestline-Lake Arrowhead Water Agency 24116 Crest Forest Drive Crestline, CA 92325-3880	GASB 75 CERBT Filling	Ms. Jennifer Spindler General Manager clawa2@clawa.net 909-338-1779
Orchard Dale Water District 450 E Romie Lane Salinas, CA 93901	GASB 75 CERBT Filling	Mr. Ron Richard Finance Manager, Treasurer rrichard@odwd.org 562-941-0114
Lennox Mathematics, Science and Technology Academy 11036 Hawthorne Boulevard Inglewood, CA 90304	ASC 715 Plan Design Study	Mr. Armando Mena Executive Director amena@lennoxacademy.org 310-680-5605

See Page 6 for a list of representative clients.

Section II. Work Overview

Our Approach

At ACG, we strive to understand a *Plan Sponsor's Objectives* and utilize their *Investment, Benefit, Funding and Accounting Policies* to manage the risks associated with their plans. Our risk management framework is centered on good governance in the areas of administration and compliance, which ensures no surprise liabilities arise by improving the accuracy of the actuarial projections of plan costs.



Full Valuation vs. Interim Valuation

Items	Full Valuation	Interim Valuation
Collect New Census Data	Yes	Counts only
Reflect Updates to Plan Design	Yes	Yes ⁽¹⁾
Update Actuarial Assumptions	Yes	Typically, not
Update Valuation Interest Rate	Yes	Yes
Audited OPEB Plan Assets ⁽²⁾	Yes	Yes
Time Requirement ⁽³⁾	8-12 weeks	3-5 weeks
Fees	Full	Reduced
Data Requested from Employer	Moderate	Minimal
Required Frequency	At least every two years	Each year, unless a full valuation is performed

- (1) Significant events (e.g., significant layoffs/hires, plan amendments) during the measurement period could trigger a full valuation if doing so would have a material impact on the results being reported.
 (2) Assets, if any, as of the measurement date.
 (3) Time needed to complete valuation report(s) once all of the District's information has been received.

Section III. Proposed Fees for Services

	FY23	FY24	FY25	FY26
OPEB Measurement Date	6/30/22	6/30/23	6/30/24	6/30/25
OPEB Valuation Date	6/30/22	6/30/22	6/30/24	6/30/24
Type of OPEB Valuation	Full	Interim ⁽¹⁾	Full	Interim ⁽¹⁾
GASB 75 Report	\$3,300	n/a	\$3,400	n/a
GASB 75 Report	\$2,200	\$2,200	\$2,250	\$2,250
Consulting on Above	Included	Included	Included	Included
Report Presentation	Included	Included	Included	Included
Draft Footnote Review	Included	Included	Included	Included
Auditor Assistance	<u>Included</u>	<u>Included</u>	<u>Included</u>	<u>Included</u>
Total Fee	\$5,500	\$2,200	\$5,650	\$2,250

(1) GASB 75 allows biennial valuations with lower costs of performing work in an interim year, see page 9

Fees for Out-of-Scope Services

Our fees are based on billing rates for staff assigned to the project and expected hours to complete the work.

Our hourly billing rates for out-of-scope work are the same as those used to develop the fixed fees for in-scope work and are as follows:

Partner/Consultant (Gary E. Cline)	\$275 - \$350
Senior Actuary	\$200 - \$250
Actuarial Analyst (Gary T. Cline)	\$100 - \$150
Administrative Support	\$75 - \$100

Our fees include unlimited consulting and assistance via phone, email or virtual conference related to the valuation results. Special projects that require a significant amount of work, however, are out of the scope of the ongoing actuarial valuation services and usually require a fee quote based on the time expected to complete the work and our hourly rates of the staff completing the project. For in-person meetings in excess of 1 per full valuation year, we base any out-of-scope fee on our billing rates and expected length of meeting, which results in a fee that we estimate to be around \$600 per meeting. All events considered out-of-scope will be discussed with the District, including any associated fees, before any work is started.

Appendix A: ACG Key Representative OPEB Client List

ACWA Joint Powers Insurance Authority	CSU East Bay-Associated Students	Round Valley USD
Alexander Valley School District	CSU East Bay Foundation	Rowland Water District
Area 12 Agency on Aging	El Dorado Hills Community Services District	Sacramento Area Council of Governments
Arrowbear Park County Water District	Elk Grove Water District	Sacramento County Office of Education
BETA Healthcare Group	Empire Union School District	Salinas Valley Memorial Hospital
California Schools Employee Association	Escondido Secondary Teachers Association	San Bernardino Valley Municipal Water District
Cal Poly Pomona Foundation	Esparto Community Services District	San Diego USD - SDEA Trust
Cal Poly San Luis Obispo Associated Students	Goleta Sanitary District	San Geronio Pass Water Agency
Cal Poly San Luis Obispo Corporation	Hannibal Industries, Inc.	San Jose State University Foundation
Calaveras County Water District	Hayward Area Rec and Park District	San Jose State University Student Union, Inc.
City of Belmont	Hesperia Rec and Park District	San Lorenzo Valley Water District
City of Benicia	Housing Authority City of Alameda	Santa Ana Watershed Project Authority
City of Camarillo	Housing Authority County of Butte	Solano County Mosquito Abatement District
City of El Monte	Housing Authority County of Merced	Stinson Beach County Water District
City of Fillmore	Housing Authority County of San Bernardino	Sylvan Cemetery District
City of Marina	Housing Authority of Contra Costa County	The Doctors Company
City of Nogales	Housing Authority Sutter County	The Episcopal Church in Hawaii
City of Pacific Grove	Oakland Housing Authority	Tower Foundation (SJSU)
City of Pacifica	Jamestown Sanitary District	Town of Atherton
City of Thousand Oaks	Kensington Fire Protection District	Town of Tiburon
Coalinga-Huron Recreation & Park District	Kensington Police Protection District	Town of Woodside
Conejo Recreation & Park District	Las Gallinas Valley Sanitary District	Tranquility Irrigation District
Cosumnes Community Services District	Manteca Unified School District	University Enterprises Corporation
Crescenta Valley Water District	Marinwood Community Services District	Ventura County Office of Education
Crestline-Lake Arrowhead Water Agency	Merced County Mosquito Abatement District	Ventura Unified School District
CSLA Associated Students, Inc.	Montague Charter Academy	Victor Valley Water District
CSLA University Auxiliary Services, Inc.	Monterey Bay Air Pollution Control District	Water Replenishment District of So. California
CSLA University- Student Union	Orchard Dale Water District	West Contra Costa Unified School District
CSU Chico Associated Students, Inc.	Palo Verde Irrigation District	Westlands Water District
CSU Chico Research Foundation	Pico Water District	Willits USD
CSU Dominguez Hills - Associated Students	Pleasant Valley Recreation and Park District	Woodside Fire Protection District
CSU Dominguez Hills - Foundation	Rancho Murieta Community Services District	Yuba-Sutter Transit Authority
CSU Dominguez Hills - Student Union	River Delta USD	

Patricia Mairena

From: Angela Montes <amontescardenas@smcgov.org>
Sent: Monday, April 3, 2023 6:54 PM
To: Sofia Recalde
Subject: LAFCo Special District Regular Member Election 2023
Attachments: SDSC Roster 2023.pdf; LAFCo Fact Sheet 2023.pdf; 2023 Authorize_electronic_ballot regular member.pdf; Nominations for Regular Special District Member 2023.pdf

Dear General Managers,

Attached please find the authorization to submit electronic ballot and call for nominations for the Regular Special District Member with a term ending May 2024. **Please forward this to your board president at your earliest convenience and please confirm receipt of this e-mail.**

Please return authorization (required*) & nominations (if any) by May 3, 2023 5:00 pm.

If you have any questions, please contact Sofia Recalde, Management Analyst at 650-363-1853 or srecalde@smcgov.org.

Thank you,
-Angela

Angela Montes Cardenas
Administrative Secretary II
County of San Mateo
455 County Center, 2nd Floor
Redwood City, CA 94063
(650) 363-4220 T
(650) 363-4849 F

www.sanmateolafco.org
www.sforoundtable.org



LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

Rob Bartoli, Executive Officer

rbartoli@smcgov.org

www.sanmateolafco.org

Purpose of LAFCo

Created by the California legislature in 1963, LAFCo is a State-mandated, independent commission with countywide jurisdiction over changes in organization and boundaries of cities and special districts including annexations, detachments, incorporations, and formations. As required by State law, LAFCo adopts a net operating budget, which is apportioned in thirds to the County of San Mateo, the 20 cities in the County, and 21 of the 22 independent special districts; the majority of the Midpeninsula Regional Open Space District territory is located in Santa Clara County and the District is under the funding mandate for Santa Clara LAFCo.

The Commission has responsibility in the following areas affecting local government in the County:

1. To discourage urban sprawl and encourage the orderly growth and development of local government agencies;
2. To prevent premature conversion of agricultural and open space lands;
3. To review, approve, or disapprove proposals for changes in the boundaries and organization of the 20 cities, 22 independent special districts, and 33 active County-governed special districts, plus incorporations of cities and formations of special districts;
4. To conduct municipal service reviews and establish and periodically update spheres of influence – future boundary, organization, and service plans – for the County, cities, and special districts; and
5. To perform and assist in studies of local government agencies with the goal of improving efficiency and reducing costs of providing urban services.

Commission Roster

The Commission is made up of two members of the County Board of Supervisors, two members of city councils from cities in the County, two board members of independent special districts in the County, a public member, and four alternate members (County, city, special district, and public). The Commission contracts with the County of San Mateo for staff, facilities, and legal counsel. The Executive Officer serves in the administrative capacity, which includes staff review of each proposal, sphere of influence studies, and assistance to local agencies and the public.

Commissioner	Member Type	Term Expires
Ann Draper, Chair	City	May 2026
Kati Martin, Vice Chair	Special District	May 2026
Harvey Rarback	City	May 2025
Tygarjas Bigstyk	City	May 2026
Ray Mueller	County	May 2026
Warren Slocum	County	May 2024
Vacant	Special District	May 2024
Chris Mickelsen	Alternate Special District	May 2024
Ann Schneider	Alternate City	May 2023
James O'Neill	Alternate Public	May 2026
Noelia Corzo	Alternate County	May 2024

Commission Meetings

LAFCo meetings are held on the third Wednesday of odd-numbered months (January, March, May, July, September, November) at 2:30 pm in the Board of Supervisors' Chambers at the Hall of Justice, 400 County Center, Redwood City. Extra meetings may be held as needed.

Independent Special Districts in San Mateo County as of 3/23/23
For Purposes of voting for Special District Members on LAFCo

- Bayshore Sanitary District
Broadmoor Police Protection District
Coastside County Water District
Coastside Fire Protection District
Colma Fire Protection District
East Palo Alto Sanitary District
Granada Community Services District
Highlands Recreation District
Ladera Recreation District
Menlo Park Fire Protection District
MidPeninsula County Water District
Montara Water and Sanitary District
North Coast County Water District
Peninsula Health Care District
San Mateo County Harbor District
San Mateo County Mosquito Abatement District
San Mateo County Resource Conservation District
Sequoia Health Care District
West Bay Sanitary District
Westborough County Water District
Woodside Fire Protection District

Note: Midpeninsula Regional Open Space District is not included because the majority of the District's territory is located in Santa Clara County.

**Authorization to Transmit Special District Selection Committee Ballot
by Electronic Mail
[Pursuant to Section 56332 (C) (2)]**

The _____ District hereby authorizes LAFCo
(name of district)

to send the Special District Selection Committee Ballot by electronic mail to:

(Name of board president or board authorized voting delegate and e-mail address)

for the purpose of voting for regular special district term ending May 2024.

Submitted by: _____
Printed Name of District President or District Manager/Chief

Signature: _____

Date: _____

Please return by May 3, 2023 by mail, fax or electronic mail to:

Sofia Recalde, Management Analyst
San Mateo LAFCo
455 County Center, 2nd Floor
Redwood City, CA 94063
650/363-1853 – phone
650/363-4849 – fax

Electronic mail: srecalde@smcgov.org



LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

Please forward to Board President

April 3, 2023

To: Presiding Officers/Board Presidents
Independent Special Districts, San Mateo County

Subject: Call for Nominations: Special District Selection Committee Mail Ballot to Elect
Regular Special District Member on San Mateo LAFCo Pursuant to
Government Code Section 56332

As you know, San Mateo LAFCo is comprised of two county supervisor members appointed by the Board of Supervisors, two city council members appointed by the City Selection Committee (also known as the Council of Mayors), two special district members selected by the Special Districts Selection Committee (comprised of the presiding officers of the independent special districts), and one public member appointed by the six members of the Commission. An alternate for each type of membership is also selected in the same manner as regular members. Terms are four years ending on the first Monday in May and members serve until reappointed or their successor is appointed. Government Code Section 56332 directs that the LAFCo Executive Officer shall call a meeting or provide for mail ballot to appoint independent special district members to LAFCo to fill vacancies or expiring terms.

The purpose of this letter is to open the nomination period for the Independent Special District Selection Committee (SDSC) to fill the independent special district **Regular Member position expiring May 2024**. This alternate member position is currently vacant.

In this case, it has been determined that the nomination and election of the alternate special district member shall be held by mail-in ballot process. For the nomination period, LAFCo will accept written nominations on your district's letterhead signed by your board president or board-appointed alternate for the regular member position. No board action is necessary unless your board president is not able to participate.

Nominations for the regular member may only be submitted in writing via mail, fax or e-mail and with the signature of the Special District President/Chair (or board-appointed alternate board member) and must be received by LAFCo **by 5:00 p.m. May 3, 2023**.

Once the nomination period is closed, the LAFCo Executive Officer will distribute a notice and mail ballots, requesting return of the ballot no later than 21 days from the date of the notice. Section 56332(c)(2) provides for distribution of mail ballots by certified mail or by electronic

COMMISSIONERS: ANN DRAPER, CHAIR, PUBLIC • KATI MARTIN, VICE CHAIR, SPECIAL DISTRICT • HARVEY RARBACK, CITY • TYGARJAS BIGSTYCK, CITY
• WARREN SLOCUM, COUNTY • RAY MUELLER, COUNTY • VACANT, SPECIAL DISTRICT

ALTERNATES: CHRIS MICKELSEN, SPECIAL DISTRICT • ANN SCHNEIDER, CITY • JAMES O'NEILL, PUBLIC • NOELIA CORZO, COUNTY

STAFF: ROB BARTOLI, EXECUTIVE OFFICER • SOFIA RECALDE, MANAGEMENT ANALYST • TIM FOX, LEGAL COUNSEL •
ANGELA MONTES, CLERK

mail with the consent of the district. For both expediency and cost savings it is hoped that districts will consent to distribution of the ballots by electronic mail. To this end, it is requested that your District return the attached "Authorization to transmit the LAFCo Special District Member Ballot by Electronic Mail" and provide LAFCo with the desired email address for distribution of the ballot.

In summary, nominations are now open for the independent special district Regular Member position with term ending May 2024 and we need your district's authorization to transmit an election ballot via email.

Board presidents or board-appointed alternates are requested to complete the following two steps:

1. Submit written nominations for the Regular Special District LAFCo member on your district's letterhead with your signature or that of a board-appointed alternate.
2. Complete and submit the "Authorization to transmit the LAFCo Special District Member Mail Ballot by Electronic Mail."

You must return your authorization form and all nominations to LAFCo no later than 5:00 pm, Wednesday May 3, 2023.

If you have questions concerning this process, please contact me directly.

Sincerely,

Sofia Recalde
Management Analyst
srecalde@smcgov.org
650.363.1853

Attachment: Authorization Form

San Mateo LAFCo Fact Sheet

Distribution: Presiding Officers of Independent Special Districts in San Mateo County

Patricia Mairena

From: Tauseef Raza <TauseefRaza@tcbk.com>
Sent: Thursday, March 23, 2023 9:59 AM
To: Patricia Mairena
Cc: Ryan Ervin
Subject: Discussion from 03/22/23
Attachments: Westborough Water .pdf

Hi Patricia,

Thank you so much for taking the time to speak with me and bringing up your boards concerns regarding the closure of Silicon Valley Bank and the safety of your accounts here at Tri Counties Bank. As discussed the accounts for Westborough Water district are 110% collateralized here at Tri Counties Bank. I have attached a copy of collateralization agreement for your reference. Also please [click here](#) to access a message from our CEO Richard P. Smith regarding the recent events and our bank's latest financial snapshot. Additionally I can have a call scheduled with our Senior Vice President and the Director of Treasury Management and Payment, Scott Caddow to further discuss any question you or your board members may have.

We truly appreciate your business. If you have any other questions or concerns please let me know.

Thank you,

Taus Raza | Vice President
Product Delivery Officer



Treasury Management Sales
975 El Camino Real
South San Francisco, CA 94080

Office (650) 488-2514 | Cell (415) 314-9345 | Fax (650) 588-8977
Customer Service (800) 922-8742
www.tricountiesbank.com | tauseefraza@tcbk.com

Member FDIC, Equal Housing Lender 

Please consider the environment before printing this email

====DISCLAIMER=====

This email and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error please notify postmaster@tcbk.com.

Tri Counties Bank does not make loan commitments or interest rate offers by email. Nothing in this email shall be construed as an offer of financing including rates and terms, nor is it an offer that the Bank will pay any particular rate of interest on a deposit product.

This footnote also confirms that this email message has been scanned for the presence of computer viruses.

====END DISCLAIMER=====

March 15, 2023

The recent headline closures of Silicon Valley Bank and two other banks sent shock waves across the banking industry, resulting in depositor uncertainty and concern. The actions by regulators to shore up confidence in the safety of bank deposits appear to have calmed the markets and depositors. However, the economy continues to be affected by inflation, rising interest rates and other national and global forces.

Despite the turmoil, Tri Counties Bank operates with the same consistent and stable business practices we've employed for the last 48 years. Our financial condition is strong and backed by ample capital and liquidity, conservative risk management practices, sensible credit policies, and a talented management team. We will continue to focus on what has made us successful: enhancing the financial success of our shareholders, customers, communities and employees. We'll be here to meet the needs of our business and consumer customers far into the future.

Tri Counties Bank operates a straightforward community banking business that serves consumers, small businesses and larger enterprises throughout California. Unlike many peer banks, more than half of our deposits are from consumer accounts, most with modest balances opened in smaller cities like Redding, Chico and Bakersfield. We serve businesses of all sizes, in small towns and big cities, and avoid concentration in any one location or industry. We also provide a wide range of services to meet the diverse needs of the people and commerce of California.

I've led Tri Counties Bank for more than 25 years. Along with our seasoned management team, we've guided the bank through the full range of economic conditions from astonishing prosperity to prolonged recession. Tri Counties Bank has grown and prospered through good times and bad because we never waver from our steadfast adherence to sound business practices and careful mitigation of risks, while serving the needs of customers and communities with trust, respect and integrity.

While we are always looking to attract more business, many of our customers have been with us for many years. Whether you've been a customer for a few days or a few decades, we deeply appreciate your loyalty and support, and work hard to serve you every day.

A handwritten signature in black ink, appearing to read 'Richard P. Smith', with a stylized flourish at the end.

Richard P. Smith
Tri Counties Bank
President, CEO and Chairman of the Board



TRI COUNTIES BANK

WAIVER OF SECURITY

TO WHOM IT MAY CONCERN:

Pursuant to Section 53653 of the Local Agency Deposit Security Law, a treasurer may, at his discretion, waive security for such portions as are insured pursuant to Federal Law.

WHEREAS, it is the advantage of Tri Counties Bank to increase the amount of its available collateral to secure the deposits of public accounts, and in so doing, without increasing the risk of the deposits of such public accounts;

NOW, THEREFORE, the authorized agent of Westborough Water District, a public institution, hereby agrees to waive the security required by Section 53653 of the Local Agency Deposit Security Law by Tri Counties Bank the Depository Association for up to the maximum federally insured amount of certain deposits of the described public institution. As a condition to the granting of this Waiver of Security, it is understood that Tri Counties Bank shall continue to maintain approved collateral security for all those deposits in excess of the maximum federally insured amount per Section 53653 of the Local Agency Deposit Security Law.

I authorize you to waive security per Section 53653 of the Local Agency Deposit Security Law.

Dated: 10/9/2020

Local Agency: _____

By: Darryl Barrow / *Darryl A. Barrow*

Title: General Manager

TAX ID # ██████████



TRI COUNTIES BANK

CONTRACT FOR DEPOSIT OF MONEYS

THIS CONTRACT, relating to the deposit of moneys, made as of the 9th day of October, 2020 between Westborough Water District (hereinafter designated "Treasurer") acting in official capacity as General Manager ("Treasurer," "Finance Director," etc.) of Westborough Water District (hereinafter designated "Depositor"), and Tri Counties Bank (hereinafter designated "Depository"), having a paid-up capital and surplus in excess of Eight Hundred Fifty Million Dollars (\$850,000,000).

WITNESSETH:

WHEREAS, the Treasurer proposes to deposit in the Depository from time to time, commencing on October 9, 2020 moneys in his/her custody in an aggregate amount on deposit at any one time not to exceed two million Dollars (\$2,000,000*****); or the total of the paid-up capital and surplus of the Depository, whichever is the lesser amount, and said moneys will be deposited subject to Title 5, Division 2, Part 1, Chapter 4, Article 2 (commencing with Section 53630) of the Government Code of the State of California; and

WHEREAS, said provisions of the Government Code require the Treasurer to enter into a contract with the Depository setting forth the conditions upon which said moneys are deposited; and

WHEREAS, in the judgment of the Treasurer, this contract is to the public advantage;

NOW, THEREFORE, it is agreed between the parties hereto as follows:

1. This contract cancels and supersedes any previous contracts between the Treasurer and the Depository relating to the method of handling and collateralization of deposits of moneys.
2. This contract, but not deposits then held hereunder, shall be subject to termination by the Treasurer or the Depository at any time upon 30 days' written notice. Deposits may be withdrawn in accordance with the agreement of the parties and applicable federal and state statutes, rules and regulations. This contract is subject to modification or termination upon enactment of any statute, rule or regulation, state or federal, which, in the opinion of the Administrator of Local Agency Security, is inconsistent herewith, including any change relative to the payment of interest upon moneys so deposited by the Treasurer.
3. Interest shall accrue on any moneys so deposited as permitted by any act of the Congress of the United States or by any rule or regulation of any department or agency of the Federal Government adopted pursuant thereto. If interest may legally be paid, all moneys deposited in accordance with this contract shall bear interest at a rate agreed upon by the Treasurer and the Depository.
4. The Depository shall issue to the Treasurer at the time of each inactive deposit a receipt on a form agreed to by the Depository and the Treasurer, stating the interest to be paid, if any, the duration of the deposit, the frequency of

interest payments, and the terms of withdrawal. Each such deposit receipt is by reference made a part of this contract.

5. As security for said deposit, the Depository shall at all times maintain with the Agent of Depository named herein, commencing forthwith, eligible securities having a market value at least 10% in excess of the actual total amount of local agency moneys on deposit with the Depository. If any eligible security is determined by the Administrator of Local Agency Security of the State of California in accordance with Government Code Section 53661 to be not qualified to secure public deposits, additional security shall be substituted immediately by the Depository, as necessary, to comply with the requirements of this Paragraph.
6. Eligible securities are those listed in Government Code Section 53651.
7. The Agent of Depository, authorized by the Treasurer and the Depository to hold the eligible securities posted as collateral under this contract is MUFG Union Bank. Said Agent of Depository has filed with the Administrator of Local Agency Security of the State of California an agreement to comply in all respect with the provisions of Title 5, Division 2, Part 1, Chapter 4, Article 2 (commencing with Section 53630) of the Government Code. A copy of this agreement is attached hereto.
8. Authority for placement of securities for safekeeping in accordance with Government Code Section 53659 is hereby granted to the Agent of Depository, including placement with any Federal Reserve Banks or branches thereof, and the following banks, other than the Depository, located in cities designated as reserve cities by the Board of Governors of the Federal Reserve System:
9. If the Depository fails to pay all or part of any deposits of the Treasurer which are subject to this contract when ordered to do so in accordance with the terms of withdrawal set forth on the deposit receipt (which is by reference made a part hereof), the Treasurer will immediately notify, in writing, the Administrator of Local Agency Security. Action of the Administrator in converting the collateral required by Paragraph 5 above for the benefit of the Treasurer is governed by Government Code Section 53665.
10. The Depository may add, substitute or withdraw eligible securities being used as security for deposits made hereunder in accordance with Government Code Section 53654, provided the requirements of Paragraph 5 above are met.
11. The Depository shall have and hereby reserves the right to collect the interest on the securities, except in cases where the securities are liable to sale or are sold or converted in accordance with the provisions of Government Code Section 53665.
12. The Depository shall bear the expenses of transportation of eligible securities maintained as collateral to and from the designated Agent of Depository.
13. This contract, the parties hereto, and all deposits governed by this contract shall be subject in all respects to Title 5, Division 2, Part 1, Chapter 4, Article 2 (commencing with Section 53630) of the Government Code, and of all other state and federal laws, statutes, rules and regulations applicable to such deposits, whether now in force or hereafter enacted or promulgated, all of which are by this reference made a part hereof.

IN WITNESS WHEREOF, the Treasurer in his/her official capacity has signed this contract in duplicate and the Depository has caused this contract to be executed in like number by its duly authorized officers.

TREASURER:

DEPOSITORY: Tri Counties Bank

By Darryl A. Barrow
General Manager

By _____

By _____

By _____

Water Purchases Comparison 2021-2022 to 2022-2023

FY 2021-2022				FY 2022-2023				Comparison
Period	HCF Purchased	No. of Days Billed	HCF per Day	Period	HCF Purchased	No. of Days Billed	HCF per Day	HCF Per Day Difference
06/04/21 to 07/06/21	34561	33	1047.30	06/03/22 to 07/05/22	29495	33	893.79	-153.52
07/07/21 to 08/04/21	27813	29	959.07	07/06/22 to 08/03/22 ⁵	32533	29	1121.81	162.74
08/07/21 to 09/04/21	33492	30	1116.40	08/04/22 to 09/06/22	28439	34	836.46	-279.94
09/05/21 to 10/06/21 ²	29279	32	914.97	09/07/22 to 10/05/22	32245	29	1111.88	196.91
10/05/21 to 11/02/21	29802	29	1027.66	10/06/22 to 11/03/22 ⁶	31934	29	1101.18	73.53
11/04/21 to 12/06/21 ³	27129	33	822.09	11/04/22 to 12/05/22 ⁷	28448	32	888.99	66.90
12/07/21 to 01/05/22 ⁴	18297	30	609.90	12/06/22 to 01/05/23	21732	31	701.04	91.14
01/06/22 to 02/03/22	23881	29	823.48	01/06/23 to 02/03/23	21726	29	749.16	-74.32
02/04/22 to 03/04/22	25242	29	870.41	02/04/23 to 03/06/23	27075	31	873.37	2.96
03/05/22 to 04/05/22	29452	32	920.38	3/7/2023 to 04/05/23	25058	30	835.27	-85.10
04/06/22 to 05/04/22	28053	29	967.34					
05/05/22 to 06/02/22	25196	29	868.83					

Total Purchases	332197	364	912.63	Total Purchases	278684.21	307	907.77
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9.A.1

² Includes Intertie Deliveries from NCCWD = 12,498 from 09/09/21 - 09/22/21

³ Includes Intertie Deliveries from NCCWD = 4,181 from 12/02/21 - 12/06/21

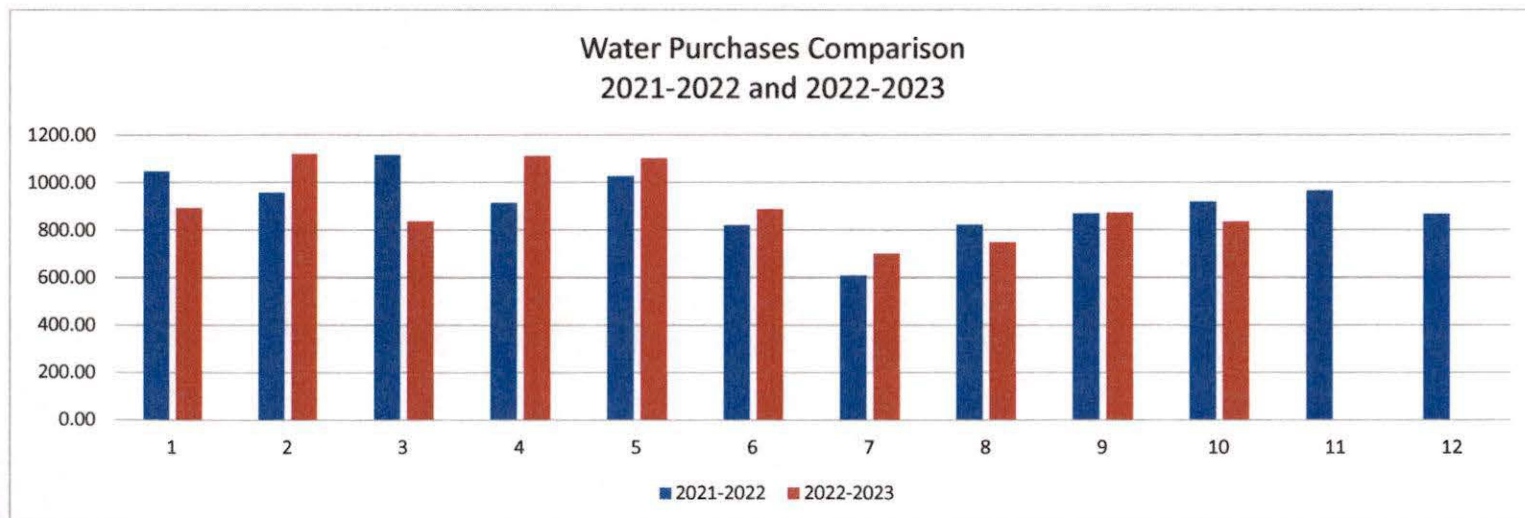
⁴ Includes Intertie Deliveries from NCCWD = 9,362 from 12/07/21 - 12/21/21

⁵ Skyline Tank No. 3 was placed back in service after exterior recoating

⁶ Includes Intertie Deliveries to NCCWD = unknown, starting 11/02/22

⁷ Deducted Intertie Deliveries to NCCWD = 11,916 from 11/02/22 - 11/09/22

GPCPD YTD	50.35
GPCPD 21/22	50.62
GPCPD 19/20	59.11
GPCPD 20/21	58.30



Water Purchases Comparison 2020-2021 to 2022-2023

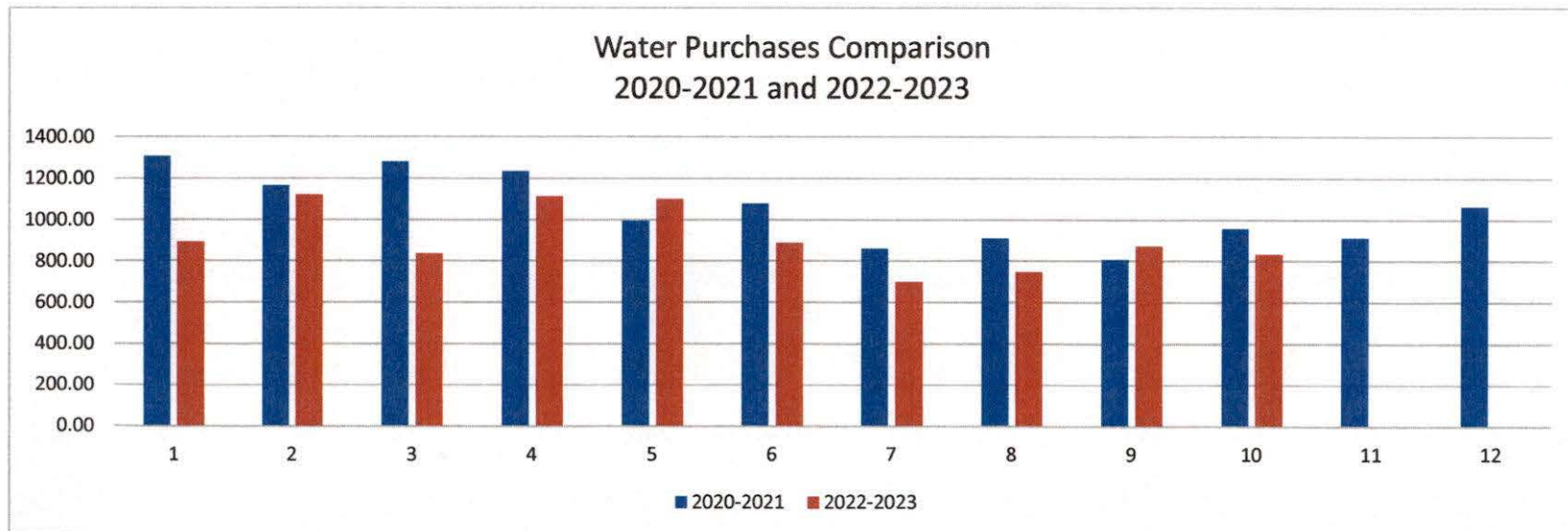
FY 2020-2021				FY 2022-2023				Comparison
Period	HCF Purchased	No. of Days Billed	HCF per Day	Period	HCF Purchased	No. of Days Billed	HCF per Day	HCF Per Day Difference
06/05/20 to 07/07/20	43157	33	1307.79	06/03/22 to 07/05/22	29495	33	893.79	-414.00
07/08/20 to 08/06/20	34995	30	1166.50	07/06/22 to 08/03/22	32533	29	1121.81	-44.69
08/07/20 to 09/04/20	37162	29	1281.45	08/04/22 to 09/06/22	28439	34	836.46	-444.99
09/05/20 to 10/06/20	39480	32	1233.75	09/07/22 to 10/05/22	32245	29	1111.88	-121.87
10/05/20 to 11/02/20	26876	27	995.41	10/06/22 to 11/03/22 ⁶	31934	29	1101.18	105.78
11/03/20 to 12/04/20	34525	32	1078.91	11/04/22 to 12/05/22 ⁷	28448	32	888.99	-189.91
12/05/20 to 01/04/21	26748	31	862.84	12/06/22 to 01/05/23	21732	31	701.04	-161.80
01/05/21 to 02/01/21	25531	28	911.82	01/06/23 to 02/03/23	21726	29	749.16	-162.66
02/02/21 to 03/04/21	25095	31	809.52	02/04/23 to 03/06/23	27075	31	873.37	63.86
03/05/21 to 04/05/21	30684	32	958.88	3/7/2023 to 04/05/23	25058	30	835.27	-123.60
04/06/21 to 05/05/21	27430	30	914.33		0	0		
05/06/21 to 06/03/21	30907	29	1065.76		0	0		

Total Purchases	382590	364	1051.07	Total Purchases	278684.21	307	907.77
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⁶ Includes Intertie Deliveries to NCCWD = unknown, starting 11/02/22

⁷ Deducted Intertie Deliveries to NCCWD = 11,916 from 11/02/22 - 11/09/22

GPCPD YTD	50.35
GPCPD 20/21	58.30
GPCPD 19/20	59.11
GPCPD 21/22	50.62



Water Purchases Comparison 2019-2020 to 2022-2023

FY 2019-2020				FY 2022-2023				Comparison
Period	HCF Purchased	No. of Days Billed	HCF per Day	Period	HCF Purchased	No. of Days Billed	HCF per Day	HCF Per Day Difference
06/06/19 to 07/05/19	29517	30	983.90	06/03/22 to 07/05/22	29495	33	893.79	-90.11
07/06/19 to 08/06/19	31804	32	993.88	07/06/22 to 08/03/22	32533	29	1121.81	127.94
08/07/19 to 09/05/19	34491	30	1149.70	08/04/22 to 09/06/22	28439	34	836.46	-313.24
09/06/19 to 10/04/19	31666	29	1091.93	09/07/22 to 10/05/22	32245	29	1111.88	19.95
10/05/19 to 11/01/19	36225	28	1293.75	10/06/22 to 11/03/22 ⁶	31934	29	1101.18	-192.57
11/02/19 to 12/04/19 ¹	33179	33	1005.42	11/04/22 to 12/05/22 ⁷	28448	32	888.99	-116.43
12/05/19 to 01/07/20	40049	34	1177.91	12/06/22 to 01/05/23	21732	31	701.04	-476.87
01/08/20 to 02/05/20	29274	29	1009.45	01/06/23 to 02/03/23	21726	29	749.16	-260.29
02/06/20 to 03/05/20	24668	29	850.62	02/04/23 to 03/06/23	27075	31	873.37	22.75
03/06/20 to 04/06/20	32700	32	1021.88	3/7/2023 to 04/05/23	25058	30	835.27	-186.60
04/07/20 to 05/05/20	31088	29	1072.00		0	0		
05/06/20 to 06/04/20	34315	30	1143.83		0	0		
Total Purchases	388976	365	1065.69	Total Purchases	278684.21	307	907.77	

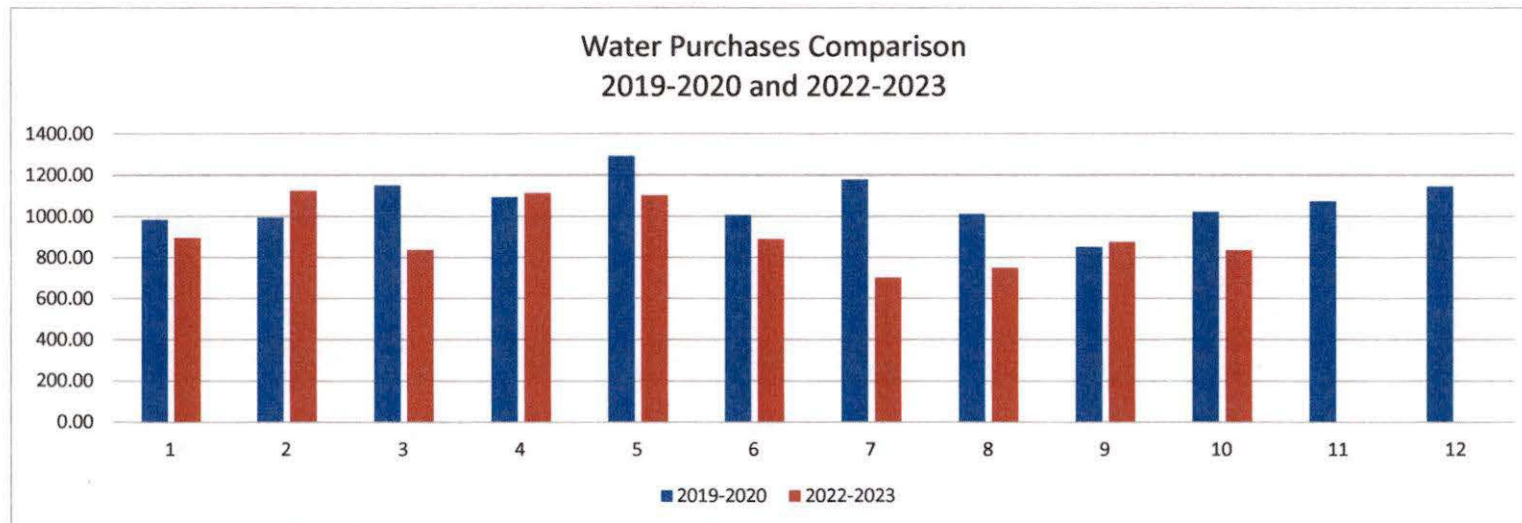
¹ Deducted Intertie Deliveries to NCCWD = 37,379 from 11/04/19 - 11/18/19

⁶ Includes Intertie Deliveries to NCCWD = unknown, starting 11/02/22

⁷ Deducted Intertie Deliveries to NCCWD = 11,916 from 11/02/22 - 11/09/22

GPCPD YTD	50.35
GPCPD 19/20	59.11
GPCPD 20/21	58.30
GPCPD 21/22	50.62

9.A.3



BAWSCA FY 2023-24 Bond Surcharges

Christina Tang <CTang@bawasca.org>

Thu 3/23/2023 4:06 PM

To: BAWSCA WMR <bawscawmr@bawasca.org>

Cc: Nicole Sandkulla <NSandkulla@bawasca.org>; Tom Francis <tfrancis@bawasca.org>

Dear BAWSCA Water Management Representatives,

Please forward this email to others within your agency as appropriate.

BAWSCA's FY 2023-24 bond surcharge for each agency is shown in the table below, and will be included in the SFPUC's monthly water bill, effective July 1, 2023. The surcharges were adopted by the BAWSCA Board on March 16, 2023 to ensure collection of necessary revenue to pay for the obligated debt service payments as defined in the indenture. A copy of the Board memo for this action is attached for further details.

Agency	Annual Bond Surcharge	Monthly Bond Surcharge	Agency	Annual Bond Surcharge	Monthly Bond Surcharge
Alameda County WD	\$1,953,084	\$162,757	Mid Pen WD	\$382,716	\$31,893
Brisbane Water	\$88,836	\$7,403	Millbrae	\$259,068	\$21,589
Burlingame	\$535,692	\$44,641	Milpitas	\$603,300	\$50,275
Coastside County WD	\$200,844	\$16,737	Mountain View	\$1,259,184	\$104,932
CWS - Bear Gulch	\$1,741,944	\$145,162	North Coast WD	\$384,468	\$32,039
CWS - Mid Peninsula	\$2,117,772	\$176,481	Palo Alto	\$1,681,620	\$140,135
CWS - South SF	\$1,254,756	\$104,563	Purissima Hills WD	\$284,196	\$23,683
Daly City	\$611,436	\$50,953	Redwood City	\$1,238,604	\$103,217
East Palo Alto WD	\$227,640	\$18,970	San Bruno	\$243,912	\$20,326
Estero Municipal ID	\$594,012	\$49,501	San Jose (North)	\$678,312	\$56,526
Guadalupe Valley	\$13,908	\$1,159	Santa Clara	\$534,180	\$44,515
Hayward	\$2,445,576	\$203,798	Stanford University	\$263,520	\$21,960
Hillsborough	\$382,572	\$31,881	Sunnyvale	\$1,463,484	\$121,957
Menlo Park	\$408,612	\$34,051	Westborough WD	\$64,524	\$5,377
Total				\$21,917,772	\$1,826,481

The SFPUC will send you a Wholesale Water Rate Notice for FY 2023-24 by early April. This table will be included in that notice as well.

If you have any questions about BAWSCA's surcharges, please feel free to contact at (650) 421-3448.

Thank You,
Christina

Christina Tang
Finance Manager
Bay Area Water Supply and Conservation Agency
155 Bovet Road, Suite 650
San Mateo, CA 94402
(650) 349-3000 office
(650) 421-3448 mobile
ctang@bawasca.org

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Proposed Fiscal Year 2023-24 Bond Surcharges**

Summary:

This memorandum presents the proposed FY 2023-24 bond surcharge for each BAWSCA agency. The surcharge would take effect on July 1, 2023. This surcharge setting conforms to BAWSCA's Revenue Bond Indenture (Indenture) and reflects the savings generated from the settlement of the 2023A bonds to refund the 2013A bonds executed on January 5, 2023.

Board Policy Committee Action:

The Committee voted unanimously to recommend approval of the proposed Board action.

Recommendation:

That the Board approve the proposed FY 2023-24 bond surcharges as presented in Table 1 in this memorandum.

Discussion:

Under the Water Supply Agreement between San Francisco and its Wholesale Customers (WSA), the BAWSCA agencies were required to repay San Francisco for \$397 million of the wholesale share of existing capital assets completed before 2009 over the 25-year term of that agreement, and be assessed interest of 5.13% on the unamortized amount. The annual principal and interest requirements were part of the Wholesale Revenue Requirement used to determine the wholesale rates reflected in the monthly bills sent by SFPUC to the Wholesale Customers.

In 2013, BAWSCA issued Revenue Bond Series 2013A and Series 2013B (Taxable and non-callable) and used those bond proceeds to prepay the then remaining capital obligation that the BAWSCA agencies owed San Francisco. The bond transaction and the prepayment program saved BAWSCA agencies approximately \$62.3 million in net present value savings over the term of the bonds until 2034. The agencies now make payments on the bonds, called bond surcharges, through 2034.

The bond surcharges are fixed amounts each year, which are calculated in total to meet the requirements of the Bond Indenture and adopted by the Board annually. Each agency's bond surcharge is then divided in 12 equal amounts and paid monthly via a line item included in SFPUC's water bills.

On January 5, 2023, BAWSCA completed the settlement of the 2023A refunding bonds based on a tax-exempt forward delivery. This refunding transaction will generate approximately \$27.1 million in net present value savings over the term of the bonds. Starting in March 2023, the monthly bills from SFPUC will include a mid-year reduction in the agencies' monthly bond surcharges in FY 2022-23 to reflect the savings from the refunding. The true up for actual FY 2022-23 water usage will be included in the FY 2024-25 surcharges, as originally planned.

The proposed FY 2023-24 bond surcharge for each BAWSCA agency is shown in Table 1.

Table 1. Proposed BAWSCA FY2023-24 Bond Surcharges

Agency	Annual Bond Surcharge	Monthly Bond Surcharge	Agency	Annual Bond Surcharge	Monthly Bond Surcharge
Alameda County WD	\$1,953,084	\$162,757	Mid Pen WD	\$382,716	\$31,893
Brisbane Water	\$88,836	\$7,403	Millbrae	\$259,068	\$21,589
Burlingame	\$535,692	\$44,641	Milpitas	\$603,300	\$50,275
Coastside County WD	\$200,844	\$16,737	Mountain View	\$1,259,184	\$104,932
CWS - Bear Gulch	\$1,741,944	\$145,162	North Coast WD	\$384,468	\$32,039
CWS - Mid Peninsula	\$2,117,772	\$176,481	Palo Alto	\$1,681,620	\$140,135
CWS - South SF	\$1,254,756	\$104,563	Purissima Hills WD	\$284,196	\$23,683
Daly City	\$611,436	\$50,953	Redwood City	\$1,238,604	\$103,217
East Palo Alto WD	\$227,640	\$18,970	San Bruno	\$243,912	\$20,326
Estero Municipal ID	\$594,012	\$49,501	San Jose (North)	\$678,312	\$56,526
Guadalupe Valley	\$13,908	\$1,159	Santa Clara	\$534,180	\$44,515
Hayward	\$2,445,576	\$203,798	Stanford University	\$263,520	\$21,960
Hillsborough	\$382,572	\$31,881	Sunnyvale	\$1,463,484	\$121,957
Menlo Park	\$408,612	\$34,051	Westborough WD	\$64,524	\$5,377
Total				\$21,917,772	\$1,826,481

The refunding did not change the methodology for levying and allocating the bond requirements among the agencies. Continuing to allocate debt service proportionately based on actual water use is consistent with the collection of the Wholesale Revenue Requirement under the WSA, is a transparent collection method easily conveyed to rating agencies and investors, and is reflected in BAWSCA's official statements.

Table 2 shows what the FY 2023-24 bond surcharge would be for each agency if BAWSCA had not issued the 2023A bonds to refund the 2013A bonds.

Table 2. FY2023-24 Bond Surcharge Would Be Without 2023A Refunding Bonds Compared to The Proposed Annual Bond Surcharge

Agency	Proposed Annual Bond Surcharge	Surcharge Would Be Without 2023A Refunding	Agency	Proposed Annual Bond Surcharge	Surcharge Would Be Without 2023A Refunding
Alameda County WD	\$1,953,084	\$2,155,260	Mid Pen WD	\$382,716	\$434,916
Brisbane Water	\$88,836	\$98,256	Millbrae	\$259,068	\$295,560
Burlingame	\$535,692	\$606,168	Milpitas	\$603,300	\$706,344
Coastside County WD	\$200,844	\$222,552	Mountain View	\$1,259,184	\$1,418,268
CWS - Bear Gulch	\$1,741,944	\$1,972,260	North Coast WD	\$384,468	\$432,660
CWS - Mid Peninsula	\$2,117,772	\$2,386,176	Palo Alto	\$1,681,620	\$1,889,688
CWS - South SF	\$1,254,756	\$1,381,812	Purissima Hills WD	\$284,196	\$320,040
Daly City	\$611,436	\$691,236	Redwood City	\$1,238,604	\$1,409,280
East Palo Alto WD	\$227,640	\$258,540	San Bruno	\$243,912	\$269,112
Estero Municipal ID	\$594,012	\$677,400	San Jose (North)	\$678,312	\$765,576
Guadalupe Valley	\$13,908	\$17,628	Santa Clara	\$534,180	\$602,436
Hayward	\$2,445,576	\$2,748,432	Stanford University	\$263,520	\$295,080
Hillsborough	\$382,572	\$433,764	Sunnyvale	\$1,463,484	\$1,655,076
Menlo Park	\$408,612	\$464,232	Westborough WD	\$64,524	\$78,048
Total				\$21,917,772	\$24,685,800
Refunding Savings Realized in FY 2023-24					\$2,768,028

Calculating the FY 2023-24 Bond Surcharges

The annual surcharges are calculated by first multiplying the next year's obligated debt service by each agency's percentage of total wholesale customer purchases for the most recent year in which a full year of water use data is available, and second adding a true up adjustment based on what the agencies should have paid in the previous year based on actual usage. One-twelfth of the annual surcharge, or the monthly surcharge, will be included in the first water bill from San Francisco sent to the BAWSCA agencies each month. The prior year purchases are used because they are the most recent annual purchases data available.

Per the Indenture, the Stabilization Fund at the Trustee has been reviewed and no replenishment amount is determined necessary at this time. In fact, an excess Stabilization Fund balance of approximately \$1.9 million was used to reduce the principal amount of the 2023A refunding bonds due to the reduced Stabilization Fund requirements.

In addition, at the time of settlement, an additional \$1.6 million in excess funds resulted from the investment of the escrow funds. About 9% of this excess will remain in the Stabilization Fund as a buffer for potential market value fluctuations in the future and about 46% will remain with the trustee pending confirmation from the rebate consultant that this portion of the escrow fund earnings will not be subject to rebate to the federal government. Starting FY 2023-24, BAWSCA suggests a gradual draw down of the remainder of the excess funds (45%) over the remaining life of the bonds by crediting a portion of the excess to the surcharges each year. The credit for FY 2023-24 is \$65,522 and is reflected in the proposed FY 2023-24 bond surcharges presented in Table 1. Credits may vary in future years depending on the actual excess at the time of the annual surcharge setting. Spreading out credits over time will reduce fluctuations in surcharge which would result from one time or occasional credits.

Background:

In 2013, BAWSCA issued Revenue Bond Series 2013A and Series 2013B (Taxable and non-callable) to prepay the remaining capital cost recovery payments that the BAWSCA agencies owed San Francisco as of June 30, 2013, when the payments were paid off. The total bonds were issued in par amount of \$335.8 million, including the callable portion of Series 2013A tax-exempt bonds that can be redeemed starting on April 1, 2023, the call date. The bond transaction and the prepayment program resulted in approximately \$62.3 million in net present value savings over the term of the bonds until 2034.

On January 5, 2023, BAWSCA completed the settlement of the 2023A bonds to refund the 2013A bonds based on a tax-exempt forward delivery. The total principal amount of the 2023A bonds issued were \$134.310 million at an all-in true interest rate of 2.06%. This refunding bond transaction will generate approximately \$27.1 million in net present value savings over the term of the bonds, or an average of approximately \$2.5 million of savings per year, starting in FY 2022-23. The combined net present value savings from recent refunding, along with the savings from the original 2013 bond issuance, will be approximately \$89.4 million to the water customers that BAWSCA represents from 2013 to 2034, or an annual average savings of \$6 million from 2023 to 2034 when the bonds will be paid off.

BAWSCA has been collecting the bond surcharge from member agencies since July 2013 through the SFPUC as a separate item on SFPUC's monthly water bills to member agencies. FY 2023-24 will be the eleventh year for BAWSCA to collect the bond surcharge payments that are used to make debt service payments on BAWSCA's revenue bonds.

Agencies Saved \$3.5 Million in FY 2021-22 From the 2013 Transaction

The annual surcharges collected from the BAWSCA agencies in FY 2021-22 were calculated by multiplying the obligated debt service in 2022 by each agency's percentage of total wholesale customer purchases in FY 2019-20. FY 2019-20 purchases were used as a surrogate for FY 2021-22 purchases, which were not known when the FY 2021-22 bond surcharges were adopted. Now that the actual wholesale customer purchases for FY 2021-22 and the actual expenses incurred in FY 2021-22 in connection with the bond administration are available, the actual surcharges for FY 2021-22 are calculated again by multiplying a sum of the obligated debt service in 2022 and the actual expenses incurred in FY 2021-22 by each agency's percentage of total wholesale customer purchases in FY 2021-22.

The true up adjustments for FY 2021-22 water purchases are not impacted by the recent refunding transaction. Table 3 indicates how much the capital recovery payment cost would have been in FY 2021-22 (column A) if BAWSCA didn't issue the bonds to prepay the capital debt that the agencies owed to San Francisco. The actual savings to each agency in FY 2021-22 (column E) from the original 2013 refunding are calculated accordingly.

"True Up" Adjustments Included in FY 2023-24 Surcharges

As always, the FY 2023-24 bond surcharge setting includes a true up adjustment to reflect each agency's *actual* percentage of water purchases in the prior year. For example, if in the prior year an agency used 10% of the total wholesale water purchases, then 10% of the projected annual bond surcharge amount was charged to them throughout the year. But if at the end of the year, that agency had used 9% of the total wholesale water purchases, the true up for the upcoming year would reflect a credit of 1%. Note that this calculation method means that the *relative* amount of water purchases governs the true up amount from year over year, not the *absolute* amount purchased by an agency from year to year.

The second component of the true up adjustment is inclusion of \$12,225 of actual expenses incurred by BAWSCA in FY 2021-22 in connection with the bond administration, which represents 0.06% of the annual debt service of the bonds in 2024. Those expenses include the fees to Bank of New York for its Trustee services and the costs of legal, financial advisor, investment advisor, and arbitrage rebate consultant. In addition, pursuant to the Prepayment and Collection Agreement between BAWSCA and San Francisco, BAWSCA shall reimburse San Francisco for specific expenses incurred for compliance with tax-exempt regulations. BAWSCA didn't receive any relevant bill from San Francisco in FY 2021-22. A true up adjustment for FY 2023-24 will be included in the surcharge setting for FY 2025-26. Table 4 shows how the true up adjustment for each BAWSCA agency is determined and included in the proposed FY 2023-24 surcharge amount.

**Table 3. Actual Savings to Each Agency for FY 2021-22 Resulting from
BAWSCA 2013A and 2013B Bond Issuance**

Agency	SFPUC Capital Recovery Payment*	Annual Surcharge Collected in FY 2021-22	True-ups To Be Collected or Refunded in FY 2023-24	BAWSCA Annual Surcharge Plus True-ups	Actual Savings**
	A	B	C	D = B + C	E = A - D
Alameda County WD	\$2,059,645	\$1,449,815	\$353,173	\$1,802,989	\$256,657
Brisbane Water	\$96,014	\$69,800	\$14,249	\$84,049	\$11,964
Burlingame	\$718,067	\$650,688	(\$22,101)	\$628,587	\$89,480
Coastside County WD	\$221,151	\$164,538	\$29,055	\$193,593	\$27,558
CWS - Bear Gulch	\$2,346,417	\$2,134,759	(\$80,734)	\$2,054,024	\$292,392
CWS - Mid Peninsula	\$2,734,523	\$2,400,158	(\$6,389)	\$2,393,769	\$340,755
CWS - South SF	\$1,294,367	\$883,770	\$249,303	\$1,133,073	\$161,294
Daly City	\$812,993	\$731,773	(\$20,089)	\$711,684	\$101,309
East Palo Alto WD	\$314,766	\$292,405	(\$16,863)	\$275,542	\$39,224
Estero Municipal ID	\$849,590	\$809,664	(\$65,943)	\$743,721	\$105,869
Guadalupe Valley	\$37,901	\$48,715	(\$15,537)	\$33,178	\$4,723
Hayward	\$3,085,466	\$2,652,176	\$48,804	\$2,700,980	\$384,487
Hillsborough	\$521,553	\$479,125	(\$22,564)	\$456,561	\$64,992
Menlo Park	\$566,602	\$527,515	(\$31,518)	\$495,997	\$70,606
Mid Pen WD	\$531,834	\$495,974	(\$30,413)	\$465,561	\$66,273
Millbrae	\$371,751	\$355,131	(\$29,704)	\$325,427	\$46,325
Milpitas	\$1,049,900	\$1,131,330	(\$212,260)	\$919,070	\$130,830
Mountain View	\$1,620,725	\$1,418,551	\$212	\$1,418,763	\$201,962
North Coast WD	\$490,934	\$426,644	\$3,114	\$429,758	\$61,176
Palo Alto	\$2,119,772	\$1,820,627	\$34,996	\$1,855,623	\$264,149
Purissima Hills WD	\$365,114	\$319,036	\$580	\$319,616	\$45,498
Redwood City	\$1,738,728	\$1,634,083	(\$112,021)	\$1,522,061	\$216,667
San Bruno	\$256,697	\$180,191	\$44,518	\$224,709	\$31,988
San Jose (North)	\$889,036	\$790,538	(\$12,287)	\$778,251	\$110,785
Santa Clara	\$695,285	\$614,551	(\$5,907)	\$608,644	\$86,641
Stanford University	\$321,498	\$267,649	\$13,786	\$281,435	\$40,063
Sunnyvale	\$1,951,860	\$1,761,338	(\$52,704)	\$1,708,634	\$243,225
Westborough WD	\$137,812	\$163,170	(\$42,532)	\$120,639	\$17,173
Totals	\$28,200,000	\$24,673,712	\$12,225	\$24,685,937	\$3,514,063
* SFPUC capital Recovery Payment represents the annal amount that each agency would have owed San Francisco if the obligations were not prepaid in 2013					
** The savings do not include the savings generated from the 2023A refunding bonds					

**Table 4. Impact of FY 2021-22 True-up Adjustment on
FY 2023-24 Proposed Surcharges**

Agency	FY 2021-22			FY 2023-24	
	Surcharge Collected (Based on FY 2019-20 Purchase)	Surcharge Obligation (Based on FY 2021-22 Purchase)	Difference: True-up Amount	Surcharge To Be Collected (Based on FY 2021-22 Purchase)	Proposed Surcharge Incl. True-up Amount for FY 2020-21
Alameda County WD	\$1,449,815	\$1,802,989	\$353,173	\$1,599,917	\$1,953,084
Brisbane Water	\$69,800	\$84,049	\$14,249	\$74,583	\$88,836
Burlingame	\$650,688	\$628,587	(\$22,101)	\$557,789	\$535,692
Coastside County WD	\$164,538	\$193,593	\$29,055	\$171,789	\$200,844
CWS - Bear Gulch	\$2,134,759	\$2,054,024	(\$80,734)	\$1,822,678	\$1,741,944
CWS - Mid Peninsula	\$2,400,158	\$2,393,769	(\$6,389)	\$2,124,157	\$2,117,772
CWS - South SF	\$883,770	\$1,133,073	\$249,303	\$1,005,454	\$1,254,756
Daly City	\$731,773	\$711,684	(\$20,089)	\$631,527	\$611,436
East Palo Alto WD	\$292,405	\$275,542	(\$16,863)	\$244,507	\$227,640
Estero Municipal ID	\$809,664	\$743,721	(\$65,943)	\$659,955	\$594,012
Guadalupe Valley	\$48,715	\$33,178	(\$15,537)	\$29,441	\$13,908
Hayward	\$2,652,176	\$2,700,980	\$48,804	\$2,396,767	\$2,445,576
Hillsborough	\$479,125	\$456,561	(\$22,564)	\$405,138	\$382,572
Menlo Park	\$527,515	\$495,997	(\$31,518)	\$440,132	\$408,612
Mid Pen WD	\$495,974	\$465,561	(\$30,413)	\$413,124	\$382,716
Millbrae	\$355,131	\$325,427	(\$29,704)	\$288,774	\$259,068
Milpitas	\$1,131,330	\$919,070	(\$212,260)	\$815,555	\$603,300
Mountain View	\$1,418,551	\$1,418,763	\$212	\$1,258,967	\$1,259,184
North Coast WD	\$426,644	\$429,758	\$3,114	\$381,354	\$384,468
Palo Alto	\$1,820,627	\$1,855,623	\$34,996	\$1,646,623	\$1,681,620
Purissima Hills WD	\$319,036	\$319,616	\$580	\$283,618	\$284,196
Redwood City	\$1,634,083	\$1,522,061	(\$112,021)	\$1,350,631	\$1,238,604
San Bruno	\$180,191	\$224,709	\$44,518	\$199,400	\$243,912
San Jose (North)	\$790,538	\$778,251	(\$12,287)	\$690,596	\$678,312
Santa Clara	\$614,551	\$608,644	(\$5,907)	\$540,092	\$534,180
Stanford University	\$267,649	\$281,435	\$13,786	\$249,737	\$263,520
Sunnyvale	\$1,761,338	\$1,708,634	(\$52,704)	\$1,516,190	\$1,463,484
Westborough WD	\$163,170	\$120,639	(\$42,532)	\$107,051	\$64,524
Totals	\$24,673,712	\$24,685,937	\$12,225	\$21,905,545	\$21,917,772

Patricia Mairena

From: Corvinova, Erin E <ECorvinova@sfgwater.org>
Sent: Thursday, April 6, 2023 4:31 PM
To: Ameri, Alex; Ash, Leonard; Ashoori, Negin; Au, Lisa; Bilir, Lisa; Bosch, Dennis; Breault, Randy; Brennan, Cathleen; Burkett, Cory; Carr, Adrienne; Centis, Craig; Chapel, Justin; Chinnakotla, Ramana; Cooney, Ed; Dailey, Karla; Danish, Zaheed; Donnelly, Ward; Flanagan, Jerry; Flegel, Elizabeth; Francis, Tom; Harvie, Nicole; Hidas, Laura; Javed, Humza; Jenkins, Ken; Kat Wuelfing; Krauss, Greg; Kyaw, Terrence; Lowe, Pam H; Patricia Mairena; Manning, Brian; McAuliffe, Tim; McPherson, Danielle; Mehta, Shilpa; Mirza, Anwar; Moilan, Ross; Morimoto, Art; Munoz, Cheryl; Nasser, Mansour; Ndah, Tony; Nussbaum, Julia; Olivera, Luis A; Provenzano, Jeff; Ramey, Kyle; Ramirez, Rene; Rogren, Mary; Salazar, Steve; Sandkulla, Nicole; Schutte, Allison C; Smithson, Dawn; Stoloski, Anthony; Subhashini, Marlene; Sun, Louis; Tang, Christina; Velilla, Rose; Vu, Sam; Welling, Gary; Willis, Paul; Witt, Phil; Kastama, Alison A; Huey, Cheryl C; Herrera, Dennis J; Flynn, Ronald P; Ritchie, Steve; Hom, Nancy; Perl, Charles; BREGMAN, SHERYL (CAT); MALINA, CATHERINE (CAT); Angel Groves; Romero, Eren; Bosch, Dennis; Chipper, Gina; Wong, Eric
Subject: FY 2023-24 SFPUC Wholesale Water Rate Notice
Attachments: FY 2023-24 Wholesale Rate Notice Letter and Attachments.pdf
Follow Up Flag: Flag for follow up
Flag Status: Flagged

Hi all,

Please see attached for the FY 23-24 SFPUC wholesale water rate notice. The proposed rate of \$5.21/ccf – lower than what was presented at the Annual Meeting – will be heard at the May 9 SFPUC Commission meeting. Let me know if you have any questions. Thanks!

Erin Corvinova (Franks)
Financial Planning Director, Financial Services
415-487-5227
Pronouns: she/her





April 6, 2023

Ms. Nicole Sandkulla
CEO/General Manager
Bay Area Water Supply & Conservation Agency
155 Bovet Road, Suite 650
San Mateo, CA 94402

Re: Fiscal Year 2023-24 Wholesale Water Rates Notice

Dear Ms. Sandkulla,

The San Francisco Public Utilities Commission (SFPUC) has determined that the **Fiscal Year 2023-24 Wholesale Water Rates will be \$5.21 per CCF**, representing a \$0.46 per CCF or 9.7% increase from the current rate for treated wholesale water, effective July 1, 2023. As required by WSA Section 6.03.A, the SFPUC has scheduled a public hearing to consider the adoption of the wholesale water rate, as follows:

May 9, 2023, 1:30 PM
San Francisco City Hall
1 Dr. Carlton B. Goodlett Place, Room 400
San Francisco, CA 94102

The main drivers of the rate increase are water sales volumes and the balancing account. Unlike in prior years, expenditures are not a major driver; the Fiscal Year 2023-24 Wholesale Revenue Requirement is projected to be essentially flat as compared to the prior year. Reduced water usage as the region recovers from drought will, all else equal, require higher rates. Volumes for FY 2023-24 are projected to be 122.6 MGD, based on the latest current-year forecasts and an expected slow recovery from drought conditions over the next three years. In addition, the SFPUC plans to fully pay off the balancing account by the end of FY 2022-23, eliminating the balancing account as a tool to mitigate rate increases.

The SFPUC has reduced the projected wholesale rate increase from the 11.6% presented at the Wholesale Customer Annual Meeting, mostly due to increased volume forecasts as drought conditions have improved.

Monthly Meter Charges

As part of the ongoing wholesale meter calibration and replacement project, new meter technologies and sizes are planned to replace certain wholesale meters. To ensure there are valid monthly service charges for all meters planned to be installed during FY 2023-24, Schedule W-25 has renamed the

OUR MISSION: To provide our customers with high-quality, efficient and reliable water, power and sewer services in a manner that values environmental and community interests and sustains the resources entrusted to our care.

London N. Breed
Mayor

Newsha K. Ajami
President

Sophie Maxwell
Vice President

Tim Paulson
Commissioner

Anthony Rivera
Commissioner

Kate H. Stacy
Commissioner

Dennis J. Herrera
General Manager



column "Magnetic Meters" to "Electronic Meters" to capture the broader technology, and added a proportional charge for the 10" electronic meter size based on the relative pricing of the new meters and the existing monthly meter charges for the 8" and 12" meters in the same category.

At this time, the SFPUC is not updating the rate structure or changing any of the existing monthly meter charges. However, with changes to meters upcoming, we expect to revisit this issue in the coming years following the process outlined in WSA Section 6.04.B to consider changes to the structure and amounts of the monthly meter charges.

Untreated Wholesale Water Rate Discount Factor

The Fiscal Year 2023-24 Untreated Wholesale Water Rate Discount will be \$0.38 per CCF, a decrease of \$0.05 from the current rate, effective July 1, 2023. The discount factor is equal to the Harry Tracy Water Treatment Plant total projected cost. The discount is calculated by dividing the relevant cost by total wholesale water deliveries. The decrease is driven by expenses (especially capital) for other facilities increasing in cost, causing costs related to Harry Tracy to represent a smaller portion of overall expenditures.

The San Francisco Public Utilities Commission will hold a public hearing on this rate at its May 9, 2023 meeting.

Fiscal Year 2023-24 Billing

As in prior years, the following charges, unrelated to the Wholesale Revenue Requirement, will be effective July 1, 2023:

- **BAWSCA Bond Surcharge:** The monthly bills include the February 2013 prepayment of the Pre-2009 Assets surcharge for the repayment of BAWSCA issued bonds. The amounts of the surcharge are proportionate to water consumption and have been adjusted accordingly. The SFPUC bills and collects the surcharge on behalf of BAWSCA and remits these amounts to the trustee.
- **Late Fees:** Late payment penalties as specified in Schedule W-44 will be in effect. The SFPUC encourages Wholesale customers to sign up for electronic billing and payment services to make timely payments and to avoid late fees. Please sign up with our SFPUC BillPay service at myaccount-water.sfpuc.org to receive and pay your bills online. If you have any questions, please contact customer assistance at (415) 551-3000.

Enclosures

Per WSA Section 6.03.A, supporting documents are required if there is a rate increase. We are attaching the following:

- Attachment N-1: Balancing Account/Rate Setting Calculation: A table showing the change in the Wholesale Revenue Requirement and how the wholesale rate was calculated

- Attachment N-3: Schedule of Projected Water Sales, Wholesale Revenue Requirements and Wholesale Rates: A schedule showing projected Wholesale Customer water sales and rates for the proposed rate year and the following four fiscal years
- FY 2023-24 Calculation of Untreated Water Discount Factor
- Schedule W-25: Wholesale Use with Long-Term Contract - Proposed Fiscal Year 2023-24 Wholesale Customer water rates
- Fiscal Year 2023-24 BAWSCA Bond Surcharge letter and schedule showing the bond surcharge for each member agency

If you have any questions, please contact me at 415-487-5227 or ecorvinova@sfwater.org.

Sincerely,

Erin Corvinova

Erin Corvinova
Financial Planning Director

Enclosures

cc: Dennis Herrera, SFPUC, General Manager
Ronald Flynn, SFPUC, Chief of Staff
Steve Ritchie, SFPUC, Water Enterprise Assistant General Manager
Nancy Hom, SFPUC, CFO & Business Services AGM
Charles Perl, SFPUC, Deputy CFO
Alison Kastama, SFPUC, BAWSCA Liaison
Sheryl Bregman, SF City Attorney
Catherine Malina, SF City Attorney
Christina Tang, BAWSCA, Finance Manager

Balancing Account / Rate-Setting Calculation
Reference Section 6.03.A.3
Fiscal Year 2023-24

Schedule N-1

1. Actual Changes to Balancing Account for FY 2021-22

A. Balancing Account as of June 30, 2021 (unaudited)	\$ (62,980,471)
B. Interest on Balancing Account and Coverage Reserve	\$ (625,733)
C. Wholesale Revenues for Fiscal Year	\$ (257,016,936)
D. Wholesale Revenue Requirement for Fiscal Year	\$ 287,385,517
E. Net Change in Wholesale Revenue Coverage	\$ 2,278,271
F. Settlement Credits or Other Adjustments	\$ 346,750
G. Balancing Account as of June 30, 2022 (unaudited)	\$ (30,612,601)

2. Projected Changes to Balancing Account for FY 2022-23

A. Balancing Account as of June 30, 2022	\$ (30,612,601)
B. Interest on Balancing Account and Coverage Reserve	\$ (346,573)
C. Wholesale Revenues for Fiscal Year	\$ (287,269,832)
D. Wholesale Revenue Requirement for Fiscal Year	\$ 309,804,997
E. Settlement Credits or Other Adjustments	\$ -
F. Balancing Account as of June 30, 2023	\$ (8,424,009)
G. Net Change in Wholesale Revenue Coverage	\$ 14,151,740
H. Total Revenue Deficiency or (Surplus)	\$ 5,727,731

3. Projected Changes to Balancing Account for FY 2023-24

A. Balancing Account as of June 30, 2023	\$ 5,727,731
B. Interest on Balancing Account and Coverage Reserve	\$ (205,946)
C. Wholesale Revenues for Fiscal Year	\$ (316,910,758)
D. Wholesale Revenue Requirement for Fiscal Year	\$ 309,852,665
E. Settlement Credits or Other Adjustments	\$ -
F. Balancing Account as of June 30, 2024	\$ (1,536,308)
G. Net Change in Wholesale Revenue Coverage	\$ 1,692,800
H. Total Revenue Deficiency or (Surplus)	\$ 156,491
I. Projected Water Sales in CCF	59,998,214
J. Deficiency or (Surplus) \$/CCF	\$ 0.00
K. Deficiency or (Surplus) CCF as a Percentage of Revenues	0%

Schedule of Projected Water Sales, Wholesale Revenue Requirements, and Wholesale Rates
Reference Section 6.03.A.3
Fiscal Year 2023-24

Schedule N-3

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Water Enterprise						
Operations & Maintenance Expenses						
Source of Supply	\$ 20,894,757	\$ 20,931,214	\$ 21,756,703	\$ 23,961,009	\$ 24,706,839	\$ 26,863,628
Pumping	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Treatment	\$ 34,620,283	\$ 34,680,688	\$ 36,048,432	\$ 39,700,722	\$ 40,936,479	\$ 44,510,037
Transmission & Distribution	\$ 18,650,456	\$ 18,682,997	\$ 19,419,820	\$ 21,387,363	\$ 22,053,083	\$ 23,978,212
Customer Services	\$ 207,908	\$ 208,271	\$ 216,485	\$ 238,418	\$ 245,839	\$ 267,300
Total Operations & Maintenance Expenses	\$ 74,373,404	\$ 74,503,170	\$ 77,441,440	\$ 85,287,512	\$ 87,942,241	\$ 95,619,177
Administrative & General Expenses						
Countywide Cost Allocation Plan (COWCAP)	\$ 1,358,012	\$ 1,360,382	\$ 1,414,033	\$ 1,557,297	\$ 1,605,771	\$ 1,745,947
SFPUC Bureaus	\$ 17,027,659	\$ 17,057,368	\$ 17,730,080	\$ 19,526,424	\$ 20,134,220	\$ 21,891,841
Compliance Audit	\$ 97,396	\$ 97,566	\$ 101,414	\$ 111,689	\$ 115,166	\$ 125,219
Other Administrative & General	\$ 8,135,537	\$ 8,149,732	\$ 8,471,143	\$ 9,329,407	\$ 9,619,802	\$ 10,459,564
Total Administrative & General Expenses	\$ 26,618,605	\$ 26,665,048	\$ 27,716,670	\$ 30,524,817	\$ 31,474,958	\$ 34,222,571
Property Taxes	\$ 1,340,685	\$ 1,343,024	\$ 1,395,990	\$ 1,537,427	\$ 1,585,282	\$ 1,723,669
Capital Cost Recovery						
Pre-2009 Assets (K-1 to K-4)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pre-2009 Assets (K-5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service on New Assets	\$ 173,054,150	\$ 172,612,150	\$ 173,197,331	\$ 176,447,902	\$ 176,532,126	\$ 179,939,115
Revenue Credit for BABs Subsidy	\$ (13,929,253)	\$ (13,510,503)	\$ (13,282,490)	\$ (13,034,940)	\$ (12,752,688)	\$ (12,440,134)
Revenue Funded Capital	\$ 16,900,000	\$ 16,737,500	\$ 16,827,500	\$ 16,915,000	\$ 16,992,500	\$ 17,070,000
True-Up of Wholesale Capital Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Cost Recovery	\$ 176,024,897	\$ 175,839,148	\$ 176,742,341	\$ 180,327,961	\$ 180,771,938	\$ 184,568,981
Hetch Hetchy Water & Power						
Operations & Maintenance Expenses	\$ 20,052,018	\$ 20,087,004	\$ 20,879,200	\$ 22,994,601	\$ 23,710,350	\$ 25,780,149
Administrative & General Expenses						
Countywide Cost Allocation Plan (COWCAP)	\$ 558,639	\$ 559,614	\$ 581,684	\$ 640,618	\$ 660,558	\$ 718,222
SFPUC Bureaus	\$ 3,579,000	\$ 3,585,245	\$ 3,726,640	\$ 4,104,209	\$ 4,231,960	\$ 4,601,390
Other Administrative & General	\$ 3,900,561	\$ 3,907,367	\$ 4,061,466	\$ 4,472,959	\$ 4,612,188	\$ 5,014,810
Total Administrative & General Expenses	\$ 8,038,200	\$ 8,052,225	\$ 8,369,790	\$ 9,217,786	\$ 9,504,706	\$ 10,334,422
Property Taxes	\$ 186,932	\$ 187,258	\$ 194,644	\$ 214,364	\$ 221,037	\$ 240,332

Schedule of Projected Water Sales, Wholesale Revenue Requirements, and Wholesale Rates
Reference Section 6.03.A.3
Fiscal Year 2023-24

Schedule N-3

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Capital Cost Recovery						
Pre-2009 Assets (K-1 to K-4)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pre-2009 Assets (K-5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service on New Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Funded Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Cost Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wholesale Revenue Requirement	\$ 309,804,997	\$ 309,852,665	\$ 316,041,108	\$ 333,739,950	\$ 338,959,154	\$ 356,565,183
Balancing Account as of June 30 (Beginning of Year)	\$ (30,612,601)	\$ 5,727,731	\$ 156,491	\$ (7,176,606)	\$ (328,395)	\$ 80,243
Balancing Account Deferral	\$ (5,727,731)	\$ (156,491)	\$ 7,176,606	\$ 328,395	\$ (80,243)	\$ -
Interest on Balancing Account and Coverage Reserve	\$ (346,573)	\$ (205,946)	\$ (273,414)	\$ (315,614)	\$ (294,609)	\$ (305,304)
Settlement Credits and Other Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wholesale Debt Service Coverage Reserve	\$ 14,151,740	\$ 1,692,800	\$ 521,076	\$ 4,773,343	\$ 370,437	\$ 4,691,319
Wholesale Revenues Before Rate Change						
Volumetric Charges	\$ (244,230,329)	\$ (284,991,518)	\$ (319,301,806)	\$ (327,029,408)	\$ (328,010,496)	\$ (336,225,110)
Excess Use Charges / Minimum Purchase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Service Charges	\$ (4,320,061)	\$ (4,320,061)	\$ (4,320,061)	\$ (4,320,061)	\$ (4,320,061)	\$ (4,320,061)
Total Wholesale Deficiency or (Credit)	\$ 38,719,442	\$ 27,599,179	\$ (0)	\$ (0)	\$ 6,295,787	\$ 20,486,271
<i>Wholesale Deficiency or (Credit) as a Percent of Volumetric Charges</i>	15.9%	9.7%	0.0%	0.0%	1.9%	6.1%
Projected Water Sales (MGD)	122.1 MGD	122.6 MGD	125.6 MGD	128.6 MGD	129.0 MGD	129.4 MGD
Projected Water Sales (CCF)	59,568,373	59,998,214	61,286,335	62,769,560	62,957,869	63,319,230
Wholesale Deficiency or Credit (\$/CCF)	\$0.65	\$0.46	\$0.00	\$0.00	\$0.10	\$0.32
Wholesale Rate (\$/CCF)	\$4.75	\$5.21	\$5.21	\$5.21	\$5.31	\$5.63
Projected Service Charge Revenues	\$ 4,320,061	\$ 4,320,061	\$ 4,320,061	\$ 4,320,061	\$ 4,320,061	\$ 4,320,061
Projected Volume Charge Revenues	\$ 282,949,771	\$ 312,590,697	\$ 319,301,806	\$ 327,029,408	\$ 334,306,283	\$ 356,487,263
Total Wholesale Revenues After Rate Change	\$ 287,269,832	\$ 316,910,758	\$ 323,621,867	\$ 331,349,468	\$ 338,626,344	\$ 360,807,324

9.D.7

**Calculation of Untreated Water Discount Rate for Coastside County Water District
Rate-Setting for Fiscal Year 2023-24**

Wholesale Share of HTWTP Expenses to be Removed

Operations & Maintenance	\$	9,933,451
Cash Funded Capital	\$	-
Debt Service	\$	13,016,807
Total HTWTP Expense to be Removed	\$	22,950,258

Total Wholesale Water Consumption (CCF) **59,998,214**

Untreated Water Rate Discount (\$/CCF)	\$	0.38
Untreated Water Rate Discount (\$/acre foot)	\$	165.53

Impact on Wholesale and Retail Customers

Untreated Water Rate Discount (\$/CCF)	\$	(0.38)
Projected Coastside County Water District Annual Consumption (CCF)		409,082
Net Impact of Untreated Water Rate Discount	\$	(155,451)

	Wholesale	Retail
Proportional Annual Use	66.95%	33.05%
Allocation of Untreated Water Rate Discount	\$ (104,075)	\$ (51,377)
Projected Annual Treated Water Usage (CCF)	59,177,098	27,098,598
Average Wholesale Rate Impact (\$/CCF)	\$ (0.0018)	\$ (0.0019)

SCHEDULE W-25: Wholesale Use with Long-Term Contract

For service to municipalities, water districts and others who, under long-term contracts, purchase water for resale:

First: A Monthly Service Charge base on the type and size of the meter:

Meter Size	Disc/Compound Meters	Crest Meters	Electronic Meters	Turbine Meters
5/8 in.	\$11	-	-	-
3/4 in.	\$18	-	-	-
1 in.	\$30	-	-	-
1 1/2 in.	\$43	-	-	-
2 in.	\$79	-	-	-
3 in.	\$158	-	-	-
4 in.	\$318	\$353	-	\$577
6 in.	\$476	\$685	-	\$1,256
8 in.	\$635	\$1,335	\$2,265	\$1,875
10 in.	\$793	\$1,732	\$3,769	\$3,391
12 in.	\$953	\$1,840	\$5,159	-
16 in.	\$1,270	\$5,628	-	\$7,215
18 in.	-	\$6,133	-	-
20 in.	-	\$6,349	-	-

The service charge for a battery of meters installed on one service in lieu of one meter or for a special type of meter, shall be based on the size of single or multiple standard type meters of equivalent capacity.

Second: A charge for water delivered based on one-month's meter readings:

\$2,269.48 per acre-foot **or** **\$5.21 per 100 cu. ft.**

Third: An Untreated Wholesale Water Rate Discount Factor for Wholesale Customers receiving untreated water, based on one-month's meter readings:

(\$165.53) per acre-foot **or** **(\$0.38) per 100 cu. ft.**



March 23, 2023

Mrs. Erin Corvinova, Financial Planning Director
San Francisco Public Utilities Commission
525 Golden Gate Avenue, 4th Floor
San Francisco, CA 94102

Subject: BAWSCA FY 2023-24 Bond Surcharge Schedule

Dear Erin:

Pursuant to Section 3.01 (a) of the Prepayment and Collection Agreement between the Bay Area Water Supply and Conservation Agency (BAWSCA) and the City and County of San Francisco (San Francisco), dated January 1, 2013 (Agreement), BAWSCA shall deliver a written schedule to San Francisco at least 45 days prior to the beginning of each fiscal year showing the amount of the surcharge that BAWSCA seeks to impose for such fiscal year.

Attached is BAWSCA's FY 2023-24 annual and monthly bond surcharge for each member agency that was adopted by the BAWSCA Board on March 16, 2023. Pursuant to Section 3.02 (a) of the Agreement, San Francisco shall include the identified monthly surcharge in the first wholesale water bill for the largest amount delivered to BAWSCA's member agencies each month, effective July 1, 2023.

If you have any questions about the billing of BAWSCA's surcharges, please contact me at (650) 349-3000.

Sincerely,

A handwritten signature in black ink that reads "Christina Tang".

Christina Tang
Finance Manager

Attachment: BAWSCA FY 2023-24 Bond Surcharges

cc: Nancy Horn, SFPUC
Charles Perl, SFPUC
Alison Kastama, SFPUC
Nicole Sandkulla, BAWSCA
Allison Schutte, BAWSCA Legal Counsel

Attachment

BAWSCA FY 2023-24 Bond Surcharges

Agency	Annual Bond Surcharge	Monthly Bond Surcharge	Agency	Annual Bond Surcharge	Monthly Bond Surcharge
Alameda County WD	\$1,953,084	\$162,757	Mid Pen WD	\$382,716	\$31,893
Brisbane Water	\$88,836	\$7,403	Millbrae	\$259,068	\$21,589
Burlingame	\$535,692	\$44,641	Milpitas	\$603,300	\$50,275
Coastside County WD	\$200,844	\$16,737	Mountain View	\$1,259,184	\$104,932
CWS - Bear Gulch	\$1,741,944	\$145,162	North Coast WD	\$384,468	\$32,039
CWS - Mid Peninsula	\$2,117,772	\$176,481	Palo Alto	\$1,681,620	\$140,135
CWS - South SF	\$1,254,756	\$104,563	Purissima Hills WD	\$284,196	\$23,683
Daly City	\$611,436	\$50,953	Redwood City	\$1,238,604	\$103,217
East Palo Alto WD	\$227,640	\$18,970	San Bruno	\$243,912	\$20,326
Estero Municipal ID	\$594,012	\$49,501	San Jose (North)	\$678,312	\$56,526
Guadalupe Valley	\$13,908	\$1,159	Santa Clara	\$534,180	\$44,515
Hayward	\$2,445,576	\$203,798	Stanford University	\$263,520	\$21,960
Hillsborough	\$382,572	\$31,881	Sunnyvale	\$1,463,484	\$121,957
Menlo Park	\$408,612	\$34,051	Westborough WD	\$64,524	\$5,377
Total				\$21,917,772	\$1,826,481

BAWSCA Meeting of March 16, 2023

I “attended” the BAWSCA Board of Directors Zoom meeting which was held at 6:30 PM. Storms earlier in the week (Monday) had caused a power outage at our regular meeting place in Burlingame. The power was still out on Thursday, our regular meeting night, although PG&E said it should come back up on Friday. We did have 5 members of the public attend and offer comments, including how they liked online meetings as they are easier to attend. Unfortunately for them, with our large board (26 members) and the fact we do not own our regular meeting place and do not have the equipment to support a hybrid meeting, we will continue to meet in person whenever possible, health and safety of attendees permitting.

Two action items discussed previously at the Board Policy Committee (BPC) were passed as part of the consent calendar. They were bond surcharges for the coming year (which reflect the full year of savings from the 2023 refinancing - \$2.788M for BAWSCA, \$78K for WWD) and revisions to the top step of BAWSCA staff positions (although nobody is at the top step, that figure is used in personnel management). Later we did vote on one action item not discussed at BPC. John Weed’s nomination for the ACWA-JPIA was unanimously supported by the BAWSCA board. After Consent Calendar, we went into the SFPUC report. Steve Ritchie opened with a review of SFPUC’s 10-year CIP (which they revise every 2 years). It is an aggressive plan although what he did not say (but has come up at recent Commission meetings), is that they have trouble executing these plans. Part of the problem is staffing which was slowed during the pandemic. Anyhow, some \$3.2B in projects are planned, \$1.1B of which are SF local projects and not paid for by BAWSCA agencies. Key projects include improvements at the Sunol Water Treatment Plant (\$250M), Regional Dam projects (Pilarcitos, San Andreas, and Calaveras, for \$52M), and Millbrae Yard improvements (\$224M). They also have \$83M budgeted for the Alternative Water Supply Program (like purified water projects and Los Vaqueros Reservoir expansion) although more will be considered in a later presentation to their Commission. Hetch Hetchy also has projects at Moccasin Powerhouse (\$60M) and transmission facilities like Mountain Tunnel and San Joaquin Pipelines (\$180M). System maintenance continues.

Alison Kastama, SFPUC’s BAWSCA Liaison, gave the Water conditions update. Basically, reservoirs are full (except for some capacity maintained for flood control) and snowpack is approaching the 1983 all time record. Total deliveries remain really low (it has been raining). On Feb 13 when Governor Newsom made an executive order allowing increased diversions, partly to support groundwater recharge, San Francisco’s only input was to suggest he eliminate the drought emergency and stage 2 drought restrictions. System wide drought restrictions will remain as long as required by the State, but SFPUC is planning to end its local emergency at the April 11 Commission meeting. Alison also addressed 4 bills (AB460, AB676, AB1337, and SB389) recently proposed which could, if passed, adversely affect their Pre-1914 water rights. These bills will be tracked, and local legislators may have to be briefed on their impacts.

Elizabeth Flegel of Mountain View gave the Water Management Rep report. She really appreciated working with her colleagues at the monthly meetings and getting the latest in what is coming efficiency standards. She also emphasized and appreciated the collaboration which happened for the recent Water Supply Agreement amendments and current Tier 2 drought allocations currently under negotiation.

After Elizabeth's presentation we discussed the proposed 2023-24 work plan and budget. There were many parts including a new core/subscription program to help agencies find grants to help fund some of their projects. There will also be more scoping for a Long-Term Water Supply Strategy, to be called Strategy 2045 as it should cover years up to 2045 (vs 2035 in our current strategy). These strategies look at things such as transfers, water recycling, desal, and other conservation efforts. Strategy 2045 will likely be funded via a special assessment, just like our current strategy was funded. As for funding the 2023-24 work plan, we did not decide yet, but the proposals were for either no increase in assessment, a 3% increase, or a 5% increase, with the latter 2 proposals improving our cash reserves (which is currently 22% of the approved budget and would stay that way under the no increase option). Reserves are supposed to be 20%-35% of the approved budget. We will vote on the work plan and how to fund it at our next meeting (in May).

We did have a closed session on the Bay Delta Plan and FERC relicensing of Don Pedro, which are progressing. In open session Nicole said SFPUC and the districts (MID/TID) are in discussion with the involved state and federal agencies and should make the end of March deadline for a revised Voluntary Agreement (VA) to be considered by the SWRCB. The Tuolumne is the only tributary whose VA is working to that deadline and the scientific basis of the revised VA will likely be released before the final report to be evaluated. Some environmentalists will likely try to poke holes in the VA's science before the SWRCB has a chance to review it and offer its comments. We need to be patient and let the SWRCB do its thing.

One other item mentioned in the Chair's opening comments but not on the agenda and not discussed was the 10 March failure of Silicon Valley Bank, the bank where BAWSCA kept its working funds. Because BAWSCA was ready to make a deposit into LAIF (California's Local Agency Investment Fund), the balance was slightly more than the \$250K level insured by the FDIC. On the 12th of March, Secretary Yellen announced that all depositors would be protected and our LAIF transfer that was made on the 13th or 14th of March, resulting in a current balance below \$250K. BAWSCA will be looking for a better way to manage operating funds to keep all funds FDIC insured (or in LAIF). Given WWD recently wrote a \$1.2M check to NSMCSD for wastewater treatment, we must have had more than \$250K (really more than \$1.2M) in our bank. I think we should review the options for protecting our funds in case of a bank run. We may be able to learn from BAWSCA. Our next meeting, hopefully in person, will be May 18, 2023.